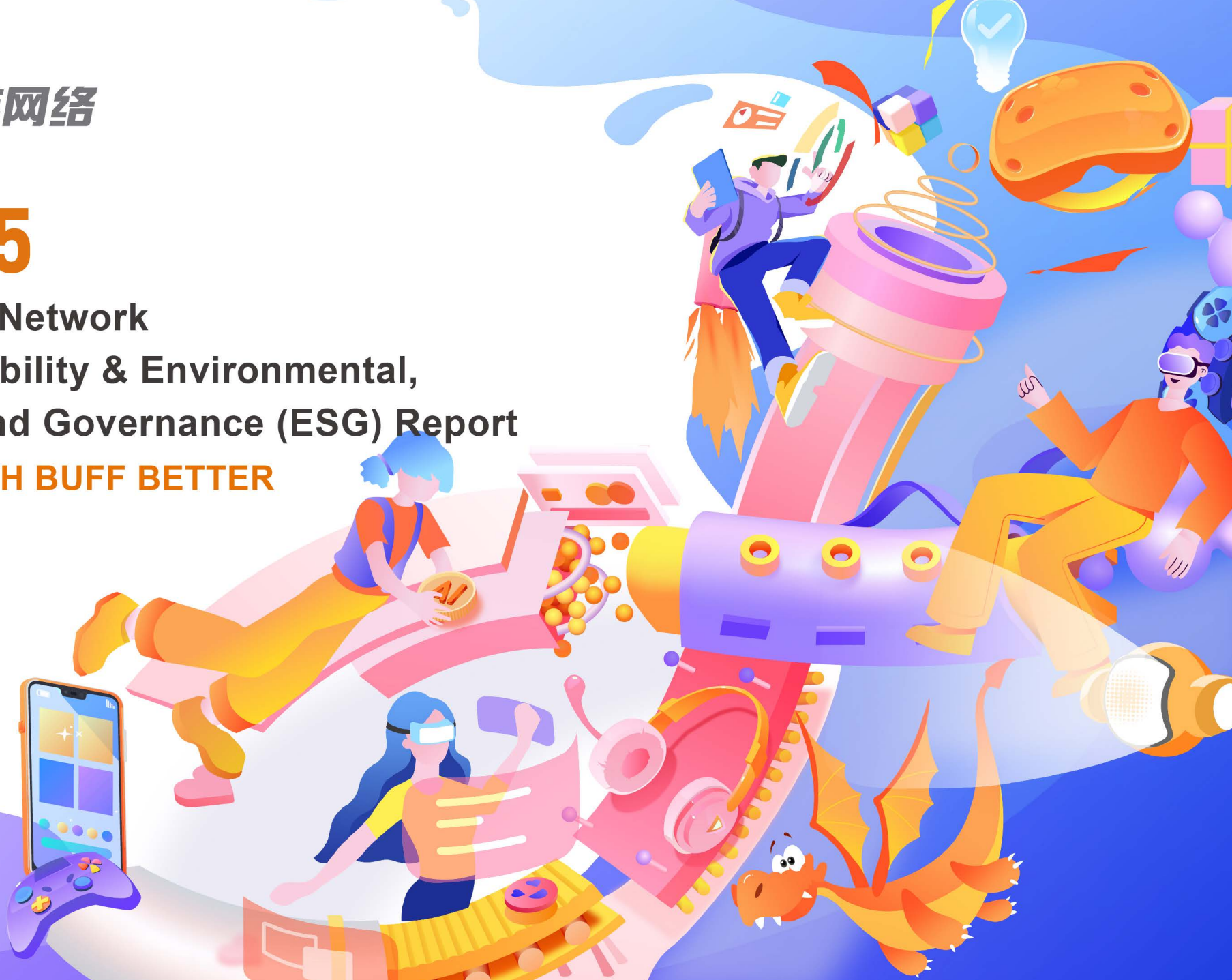




# 2025

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

**PLAY WITH BUFF BETTER**



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# About the Report

This is the fifth Sustainability Report and the 16th ESG related information 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 the 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

**Time range:** The reporting period is from 1 January 2025 to 31 December 2025. 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 2024 Sustainability / ESG 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 2025), 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 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.

### Balance

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

This Report is an annual report. The Company endeavours 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 "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](mailto:csr@kingnet.com)



## Chairman's Statement

The year 2025 marked the final year of the Company's 2023–2025 Sustainable Development Plan. Over the past three years, we have adhered to the philosophy of “Play with Buff”, driven by the K-Power of K Cohesion, K Strength, K Protection and K Gravitation, to create a virtuous cycle of responsible value. We have steadily advanced sustainability actions across environmental, social and governance dimensions, fully achieved our strategic objectives, and realised a complete closed loop from commitment to performance.

During the year, our sustainability performance received strong recognition from the capital market and professional institutions: The Company was awarded a “B” rating in the CDP Climate Change Questionnaire; an S&P CSA score of 41; and a low-risk rating from Morningstar Sustainability, all of which are at a leading level within the domestic gaming industry. These honours not only affirm our past efforts but also inspire our future journey.

**Writing a zero-carbon answer with green code:** We consistently integrate green and low-carbon principles throughout our entire operational value chain. In 2025, we achieved our operational carbon neutrality target as scheduled and will continue to advance our medium- and long-term goals of “reducing emissions across the full value chain by 50% by 2030 (compared with 2025) and achieving full value chain carbon neutrality by 2035”. We actively participated in green electricity certificate trading, issued the K Office Action Guidelines, and incorporated environmental requirements into supplier contracts, thereby promoting green transformation of the economy and society through our own actions. The sustainability mini-game Migratory Bird Hop developed by the Company was showcased in the thematic

exhibition area of the 30th United Nations Climate Change Conference (COP30), demonstrating to the international community our exploration of using digital tools to support biodiversity conservation.

**Driving value growth through an innovation engine:** We focused on our core gaming business and developed benchmark titles such as *Three Kingdoms: The World Unites* and *Dragon Nest*. We contributed to building an AI ecosystem by launching the full-process AI development platform SOON, the AI trendy toy brand *Warm Star Valley Dream Journey*, the 3D AI intelligent companion application *EVE*, and the AI glasses product DPVR AI Glasses. We cultivated proprietary platform systems by developing and operating the digital asset platform “KingNet Chain” and the vertical gaming platform “996 Game Box”. We expanded overseas, with multiple games such as *War of Angels* released in Hong Kong, Macao and Taiwan, as well as Japan, South Korea and Southeast Asia. We also leveraged the positive value of gaming, with IPs such as *Crafts and Qubits* and *Seasonal Voice*, telling Chinese stories to the world.

**Delivering KingNet's warmth through public welfare:** We upgraded the “Liuying Volunteer” service brand, established an ethnic minority volunteer service team, and built a comprehensive volunteer service system. We deepened our engagement in philanthropy, with initiatives such as “KingNet Crafts and Qubits” revitalising intangible cultural heritage, “Coloured Plateau” inspiring artistic creativity, and “Haisi New Space” incubating outstanding theatre works, while our support for the Hong Kong Tai Po fire demonstrated our sense of responsibility. Since 2020, the “KingNet's Love Public Welfare” programme has donated materials worth RMB 17.89 million, benefiting over 49,000 people.

**Strengthening governance foundations through Party building leadership:** We integrated Party building with corporate culture and operations under the principle of “Red Party-building Leading Orange KingNet”, and were recognised as a “National May Fourth Red Flag Youth League Branch” and an outstanding Party building brand among internet enterprises in Shanghai. We strictly standardised our operations, gave full play to the role of independent Directors—who accounted for 44.44% of the Board of Directors and 100% of the Audit Committee—and added employee representative Directors to effectively facilitate employee participation in democratic decision-making, management and supervision. We adhered to transparent disclosure, achieving an “A” rating in information disclosure from the SZSE. We recorded zero data security incidents, zero cases of commercial bribery or corruption, and zero instances of non-compliant employment, safeguarding our steady and long-term development through compliant operations.

**Advancing towards a better future with long-termism:** During the reporting period, we issued the KingNet Network Sustainable Development Plan (2026–2030) action framework, upgrading the K Action to K Pro Action and iterating our sustainability vision to “Play with Buff Better”, as we move towards a more sustainable next five years.

Looking ahead, KingNet Network will continue to uphold the faith that love creates value, fulfil our mission of “joy everywhere”, connect the world through digital technology, give back to society through responsible practices, and work together with all stakeholders towards a better future.

# Sustainability Highlights

## Economic Performance

Revenue



RMB **5,324.98** million

Up

**4.04%**

Total profit



RMB **1,981** million

Up

**18.38%**

Net profit attributable to shareholders of the listed company



**1,904** million

Up

**16.90%**

## Environmental Performance

Purchase



**3,591** green electricity certificates

Total GHG emissions (Scope 1 + Scope 2)



**77.70** tCO<sub>2</sub>e

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



**0.01** tCO<sub>2</sub>e

## Social Performance

R&D investment



RMB **595** million

Volunteer service



**2,535** hours

Employee volunteer service participation about



**28,000** times

A total of



**18** public welfare projects

with an investment of

RMB **11,989.6** thousand

# Recognitions in 2025

In 2025, KingNet Network was repeatedly recognised by the industry, professional institutions and the capital market for its excellent performance in sustainable development management.

**CSI ESG Rating: AAA**

China Securities Index Co., Ltd.




**CNI ESG Rating: AA**

Shenzhen Securities Information Company Limited



**Wind ESG Rating: AA**

Wind Information Co., Ltd.




**Morningstar Sustainalytics: Low Risk (14.59)**

Morningstar



**S&P CSA ESG Score: 41**

S&P Global



**CDP Rating: B**

Carbon Disclosure Project (CDP)



**SynTao Green Finance Rating: A Leading Chinese Enterprise in ESG**

SynTao Green Finance Consulting Co., Ltd.



**CCXGF ESG Rating: AA**

China Chengxin Green Finance Technology (Beijing) Co., Ltd.



**SSI ESG Rating: AA**

Sino-Securities Index Information Service (Shanghai) Co., Ltd.



# About KingNet Network

## Company Profile

KingNet Network Co., Ltd. (SZ.002517) is a well-known listed online gaming company in China. Its core business covers the R&D, operation and publishing of mobile and web games, as well as the operation of web gaming platforms and mobile application distribution platforms. Meanwhile, it has established a long-term strategic presence in the smart technology sector and is actively developing its overseas business to reach a broader user base.

The Company persists in focusing on the main business of developing games as its core strategy. It follows the principle of creating quality games and operates four core business systems including R&D, publishing, investment + IP, and user platforms, to create game products that deliver an ultimate user experience. The Company consistently upholds the principle of "providing higher quality and better service", placing user value at the core of its operations. The Company is dedicated to continuously providing users with quality content and services as well as a fulfilling gaming experience, striving to become an outstanding listed online game company.



### General Information on KingNet Network

 <b>Chinese name</b>	恺英网络股份有限公司	 <b>English name</b>	KINGNET NETWORK CO., LTD.
 <b>Headquarters site</b>	Shanghai	 <b>Principal subsidiaries</b>	Shanghai KingNet Network Technology Co., Ltd. ("Shanghai KingNet") Zhejiang Shenghe Network Technology Co., Ltd. ("Zhejiang Shenghe")
 <b>Main business</b>	R&D, operation and publishing of mobile and web games Operation of web game platforms and mobile application distribution platforms (XY Game Platform, KingNet Cloud Games)		
 <b>Main products</b>	<b>Retro-themed games</b> <i>Original Legends, War of Angels, Dragon Nest Open World, Ruler of the Land</i>		
	<b>Innovative premium games</b> <i>Gundam Battle, Project Ultraman, Soul Land: Legend of Exorcism, Time Raiders: The Beginning, Lord of Nazarick, Sword and Fairy: A New Beginning, The New Heaven Sword and Dragon Saber, Monster GO!, Gods' Calamity: Shadow Princess, Three Kingdoms: The World Unites</i>		
 <b>Revenue</b>	RMB <b>5,325</b> million		
 <b>Total assets</b>	RMB <b>13,073</b> million		
 <b>Total number of employees</b>	<b>2,248</b>		

# Business Areas and Value Chain

Four Business Systems with "Games" at the Core



R&D Strength



Investment Layout

Strategic and Key Invested Enterprises

 <b>Nature Select</b> Natural Select (Shenzhen) AI Co., Ltd. Main Products: <i>EVE, Elys</i>	 <b>幻境游戏</b> DREALITY ENTERTAINMENT Shenzhen Ultimate Dreality Network Technology Co., Ltd. Main Products: <i>Singularity Saga</i>
 <b>极逸</b> JIYI.AI Hangzhou Jiyi AI Technology Co., Ltd. Main Products: One-stop AI Game Creation Platform <i>SOON</i>	 <b>DPVR</b> Lexiang Technology Co., Ltd. (DPVR) Main Products: VR hardware devices, AI glasses

# Materiality Assessment of Sustainability Topics

## Materiality Assessment

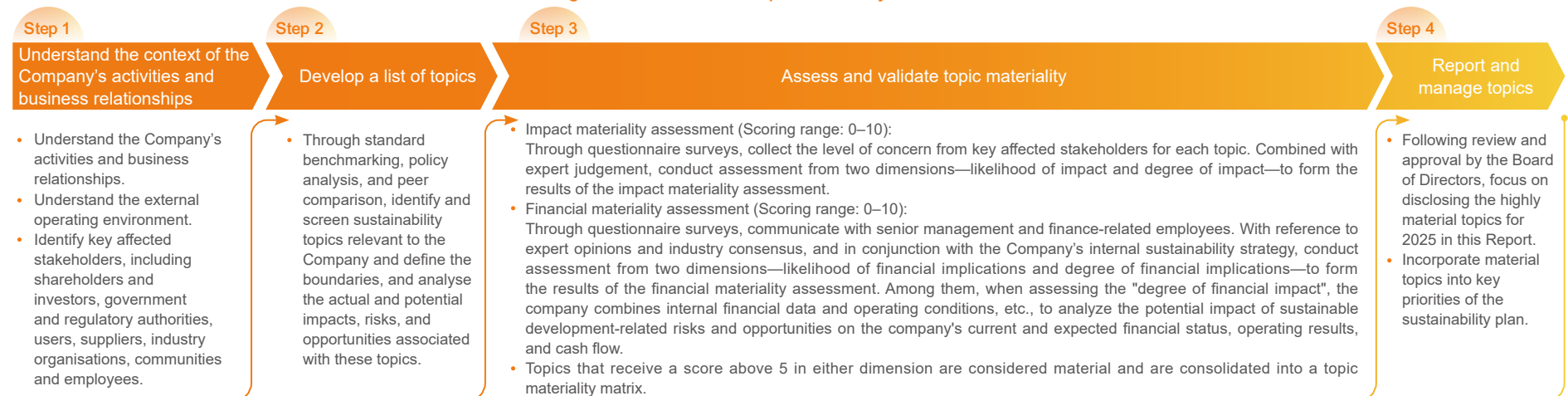
In accordance with the SZSE's *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, and with reference to SZSE's *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Reports (2026 Revision)* and the *Guidelines for Sustainable Development of Listed Companies* issued by the China Association for Public Companies, the Company determined the factors considered in the materiality analysis based on the principle of "double materiality", and carried out the identification, assessment, prioritisation and reporting of material topics.

During the detailed assessment process, the Company established internal and external expert groups, and based on the context of its activities and business relationships, carried out topic identification and selection through benchmarking against relevant standards, analysis of the latest policies, and peer comparison. The actual and potential impacts, risks, and opportunities associated with each topic were evaluated to determine their impact materiality and financial materiality, and targeted management measures were implemented. At the stage of this Report, the Company reviewed and approved the results of the materiality analysis of topics.

### Considerations for KingNet Network's 2025 Materiality Assessment

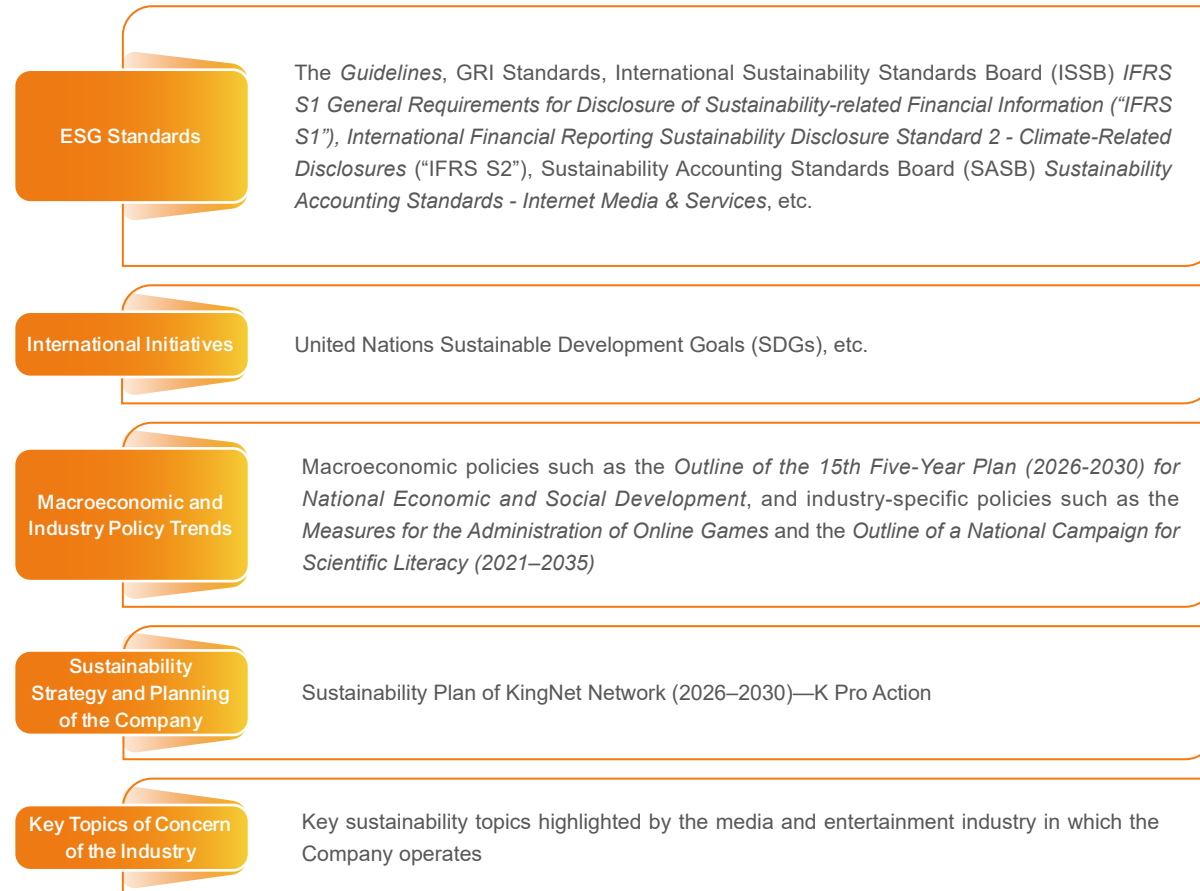
Aspect	Definition	Dimensions of Materiality Analysis
Impact Materiality	Whether the Company's performance on the relevant topic may have actual or potential significant impacts on the economy, society and the environment.	<ul style="list-style-type: none"> <li>Likelihood of impact</li> <li>Scale, scope, and irremediability of the impact</li> </ul>
Financial Materiality	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"> <li>Likelihood of financial implications</li> <li>Degree of financial implications</li> </ul>

### KingNet Network's 2025 Topic Materiality Assessment Process



## List of Topics

In the process of identifying material topics for 2025, KingNet Network fully considered the following five factors, identified and selected 19 topics based on the Company's actual operations, and analysed the impact, risks and opportunities of each topic.



## KingNet Network's 2025 Topic Pool



### Environmental (3 topics)

Climate response , Green operations, Ecosystem and biodiversity protection



### Social (11 topics)

Protection of minors in cyberspace, Data security and customer privacy protection, Content quality management, Social functions of games<sup>1</sup>, Product R&D and innovation, Technology ethics, 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 operations, Risk management, Anti-unfair competition


<sup>1</sup>The games referred to here mainly pertain to the company's sustainability-related games.







Based on its business characteristics, the Company comprehensively identified, organised and analysed the impacts, risks and opportunities of each topic.






### KingNet Network's 2025 Analysis of Material Topics' Impacts, Risks, and Opportunities


Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities <sup>1</sup>	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Climate response		✓		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 green and low-carbon initiatives may enhance our corporate image and investor recognition, drive business growth and increase revenue.	Short-, medium-, and long-term	Climate response *
Green operations		✓		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 operations and implementing effective resource and waste management can help mitigate adverse environmental impacts.		Opportunity: By promoting a green operations philosophy, the Company can enhance its brand image, reduce energy and resource consumption, and lower operational costs.	Medium- and long-term	Green Operations
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
Product R&D and innovation		✓	✓	Game R&D 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.	 	Risk: Investment in product R&D 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. Opportunity: By strengthening its research and development capabilities and actively promoting AIGC technology, 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.	Medium- and long-term	Product R&D and Innovation*

<sup>1</sup> The expected financial impacts of "risks and opportunities", as well as our strategies, approaches and plans for addressing "impacts, risks and opportunities", are detailed in the "Strategy" sections of the relevant topics.

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities <sup>2</sup>	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Technology ethics		✓	✓	If the development and application of new technologies lack sufficient ethical review and risk assessment, they may adversely affect user rights, social values and industry standards. Strengthening technology ethics management and risk control during innovation helps improve the standardisation and sustainability of technology applications and promotes the healthy development of the industry.	/	Risk: As we continue to deepen the application of AI technologies, inadequate management may lead to ethical issues such as algorithmic bias, discrimination and AIGC-related infringement. This may result in regulatory penalties, damage to our reputation, increased compliance costs, and negative impacts on future revenue.	Medium- and long-term	Technology Ethics
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*
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*
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.	/	Risk: Poor customer service quality or inadequate complaint resolution may lead to user attrition and negatively impact future revenue.	Medium- and long-term	Customer Service and Complaint Handling*
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*

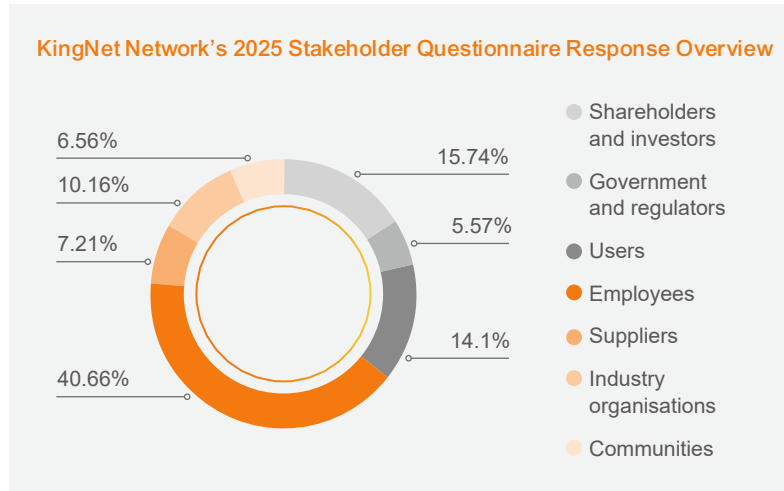
Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities <sup>2</sup>	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
Protection of minors in cyberspace			✓	Excessive gaming among minors may negatively 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
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.		Risk: Inadequate supplier management may compromise server stability, which could affect user experience and lead to user attrition.	Medium- and long-term	Supplier Sustainability Management
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.	   	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.	Medium- and long-term	Employment and Protection of Employees' Rights and Interests
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.		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. 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.	Short-, medium-, and long-term	Human Capital Development*

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities <sup>2</sup>	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
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.	  	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.	Medium- and long-term	Community Contribution and Rural Revitalisation*
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*
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*

Topic	Scope of Impact			Impact Overview	Corresponding SDGs	Overview of Risks and Opportunities <sup>2</sup>	Time Horizon of Impact	Corresponding Section
	Upstream Value Chain	Own Operations	Downstream Value Chain					
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-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
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

## Impact Materiality Assessment

To systematically identify and assess the impact of sustainability-related topics on stakeholders, the Company conducted a questionnaire survey among key stakeholders in 2025, widely collecting their views on the materiality of relevant topics. A total of 305 valid questionnaires were collected in this survey. Based on the survey results, we derived scores for each topic under the “degree of impact” dimension.



On this basis, a joint internal and external expert group conducted professional assessments of the likelihood of impacts of each topic on stakeholders, forming scores under the “likelihood of impact” dimension. We integrated the two dimensions of “degree of impact” and “likelihood of impact” to rank the impact materiality of topics. Based on thresholds set according to our actual circumstances, topics exceeding the threshold were identified as having impact materiality.

### KingNet Network's 2025 Topics with Impact Materiality

- |  |  |  |
|--|--|--|
| 1.Product R&D and innovation                                   | 7.Corporate governance                             | 13.Green operations                            |
| 2.Data security and customer privacy protection                | 8.Social functions of games                        | 14.Anti-unfair Competition                     |
| 3.Compliant operation  | 9.Supplier sustainability management               | 15.Anti-commercial bribery and anti-corruption |
| 4.Employment and protection of employees' rights and interests | 10.Customer service and complaint handling         | 16.Technology ethics                           |
| 5.Content quality management                                   | 11.Climate response                                | 17.Ecosystem and biodiversity protection       |
| 6.Protection of minors in cyberspa                             | 12.Community contribution and rural revitalisation |  |

## Financial Materiality Assessment

The Company assessed the financial materiality of sustainability-related topics over three time horizons—short term (within one year, inclusive), medium term (one to five years, inclusive), and long term (more than five years)—from two dimensions: likelihood of financial implications and degree of financial implications.

During the analysis, the Company established thresholds for determining the degree of financial implications based on its internal management practices. Through questionnaires and interviews with senior management and internal experts, and in consultation with external experts, we analysed the likelihood of risks or opportunities arising in the short, medium and long term, as well as their expected financial implications. We then ranked the financial materiality of the 19 topics for KingNet Network and identified those with financial materiality based on the established thresholds.

### KingNet Network's 2025 Topics with Financial Materiality

- |   |  |
|---|--|
| 1.Product R&D and innovation                    | 7.Risk Management                                    |
| 2.Data security and customer privacy protection | 8.Social functions of games and rural revitalisation |
| 3.Corporate governance                          | 9.Community contribution and rural revitalisation    |
| 4.Compliant operation                           | 10.Climate response                                  |
| 5.Human capital development                     | 11.Customer service and complaint handling           |
| 6.Content quality management                    |  |

## Due Diligence and Communication with Stakeholders

To effectively identify, respond to and prevent various impacts, risks and opportunities in daily operations, we have established a sustainability and ESG due diligence mechanism. By continuously optimising control systems within business processes, we enhance our ability to identify and manage negative impacts and risks associated with material topics, thereby providing solid support for the Company's stable operations.

Communication with stakeholders is a key component of our sustainability and ESG management. Focusing on key topics of concern to various stakeholders, we have established a regular communication mechanism. Through diversified channels such as our official website, media releases, meetings and exchanges, periodic reports, thematic activities and questionnaire surveys, we continuously carry out information disclosure and interactive communication, maintaining two-way communication and feedback with stakeholders.

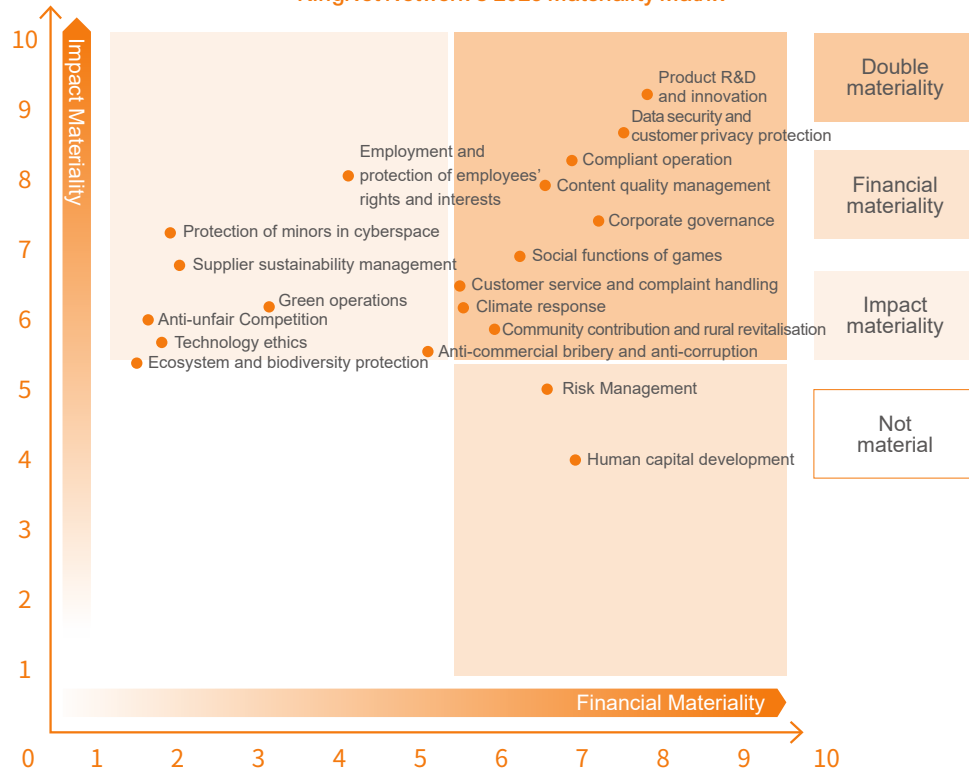
Key Stakeholder	Shareholders and investors	Government and regulators	Users	Employees	Suppliers	Industry organisations	Communities
Stakeholder Representatives	<ul style="list-style-type: none"> <li>Company shareholders and various investors</li> </ul>	<ul style="list-style-type: none"> <li>Governments in operating locations and the Shenzhen Stock Exchange</li> </ul>	<ul style="list-style-type: none"> <li>Game players and platform users</li> </ul>	<ul style="list-style-type: none"> <li>Management and general employees</li> </ul>	<ul style="list-style-type: none"> <li>Service suppliers, engineering suppliers and material suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>NGOs, charitable institutions, mainstream media, beneficiaries of public welfare initiatives, and local community residents</li> </ul>
Key Topics of Concern	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliant operation</li> <li>Risk Management</li> <li>Anti-commercial bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Protection of minors in cyberspace</li> <li>Anti-unfair Competition</li> <li>Social functions of games</li> </ul>	<ul style="list-style-type: none"> <li>Product R&amp;D and innovation</li> <li>Customer service and complaint handling</li> <li>Data security and customer privacy protection</li> <li>Protection of minors in cyberspace</li> </ul>	<ul style="list-style-type: none"> <li>Employment and protection of employees' rights and interests</li> <li>Human capital development</li> </ul>	<ul style="list-style-type: none"> <li>Supplier sustainability management</li> </ul>	<ul style="list-style-type: none"> <li>Protection of minors in cyberspace</li> <li>Social function of games</li> <li>Content quality management</li> </ul>	<ul style="list-style-type: none"> <li>Community contribution and rural revitalisation</li> <li>Climate response</li> <li>Green operations</li> <li>Ecosystem and biodiversity protection</li> </ul>
Communication Methods/ Channels	<ul style="list-style-type: none"> <li>Information disclosure as a listed company</li> <li>Shareholders' meeting</li> <li>Investor exchange meetings</li> <li>Complaint reporting mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Policy implementation</li> <li>Government-related activities</li> <li>Information disclosure</li> <li>Communication and research meetings</li> <li>Game License Application</li> <li>Game Globalization</li> </ul>	<ul style="list-style-type: none"> <li>User questionnaires</li> <li>User privacy agreements</li> <li>Official management channel for player groups</li> <li>24-hour customer service hotline</li> <li>Distribution of brochures on the prevention of minors from becoming addicted to online games</li> </ul>	<ul style="list-style-type: none"> <li>Employees' congress</li> <li>Club activities</li> <li>Employee training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Supplier audit and assessment</li> </ul>	<ul style="list-style-type: none"> <li>Industry association activities</li> <li>Participation in the formulation of industry standards</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteer services</li> <li>Community public welfare activities</li> <li>Energy conservation and emission reduction initiatives</li> <li>Biodiversity protection public welfare activities</li> </ul>

## Results of Materiality Assessment

Based on the above analysis, KingNet Network identified a total of 19 material topics for 2025, of which nine topics exhibit double materiality, two topics have financial materiality and eight topics have impact materiality.

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". Such topics are marked with an asterisk (\*) in the section headings.

KingNet Network's 2025 Materiality Matrix



Key Changes in KingNet Network's Material Topics in 2025

Material Topics in 2025	Material Topics in 2024	Change	Reason for Change
—	Energy utilisation and GHG emissions reduction	Removed topic	Based on our management practices, the topic structure was streamlined, and related content was divided into "Climate response" and "Green Operations"
Green operations	Green offices	Adjusted descriptions and expanded topic boundaries	The substance of the topic has been deepened based on the Company's management practices
Technology ethics	—	New Topic	New topics have been added in line with the Company's business development
Anti-commercial bribery and anti-corruption	Anti-commercial bribery and anti-corruption	Adjustment of topic materiality	Based on the latest materiality assessment results, this topic has been adjusted from a topic with financial materiality to a topic with impact materiality
Anti-unfair competition	Anti-unfair competition	Adjustment of topic materiality	Based on the latest materiality assessment results, this topic has been adjusted from a topic with double materiality to a topic with impact materiality only

# Sustainability Management System

## Corporate Culture

Love creates value



Faith



Vision

Leader of the cultural industry

Joy everywhere



Mission



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

By 2025, based on the company's mission, vision and values, combined with the achievements of K actions and external regulatory trends, the company upgrades its sustainable development concept "Play With Buff" to "Play With Buff Better", starting from 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.



## Sustainability Governance Structure

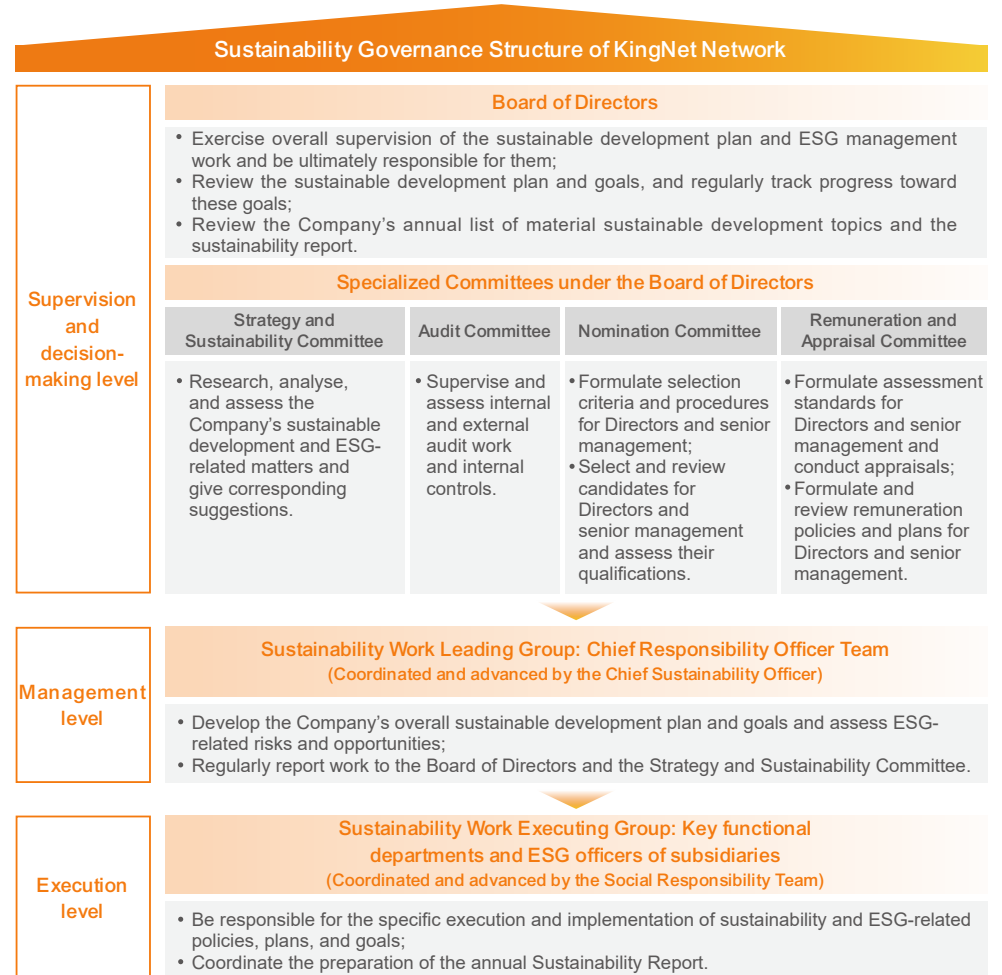
KingNet Network deeply integrates the concept of sustainability into corporate governance, promoting the synergistic growth of business value and social value.

In 2025, KingNet Network upgraded its sustainability governance system, establishing a three-tier, top-down sustainability governance structure comprising the "Supervision and Decision-making Level, Management Level, and Execution Level".

At the Supervision and Decision-making Level, the Board of Directors assumes overall responsibility for supervising sustainability and ESG work. The Board and its specialised committees perform ESG-related functions within their respective scopes of authority in accordance with their rules of procedure.

At the Management Level, members of the Chief Responsibility Officer Team form the Sustainability Work Leading Group, which serves as the management body for sustainability and ESG work. Specifically, the Chief Sustainability Officer is responsible for coordinating and advancing ESG management.

At the Execution Level, a Sustainability Work Executing Group has been established as the implementing body for sustainability and ESG work. It is responsible for the execution and implementation of ESG-related policies, plans and targets, and for coordinating the preparation of the annual sustainability report.



In 2025, 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.

### ESG Matters Reviewed by the Board of Directors in 2025

#### Topics of concern

#### Content reviewed



- Deliberation and approval of the *Articles of Association, the Rules of Procedure for the Strategy and Sustainability Committee of the Board of Directors, and the Director Remuneration Management System*;
- Deliberation and approval of proposals relating to the appointment of independent Directors and employee representative Directors.



- Deliberation and approval of the *2024 Self-Evaluation Report on Internal Control* and other proposals to ensure the Company's legal and compliant operation.



- Deliberation and approval of the *2024 Sustainability & Environmental, Social and Governance (ESG) Report*.

#### During the reporting period:



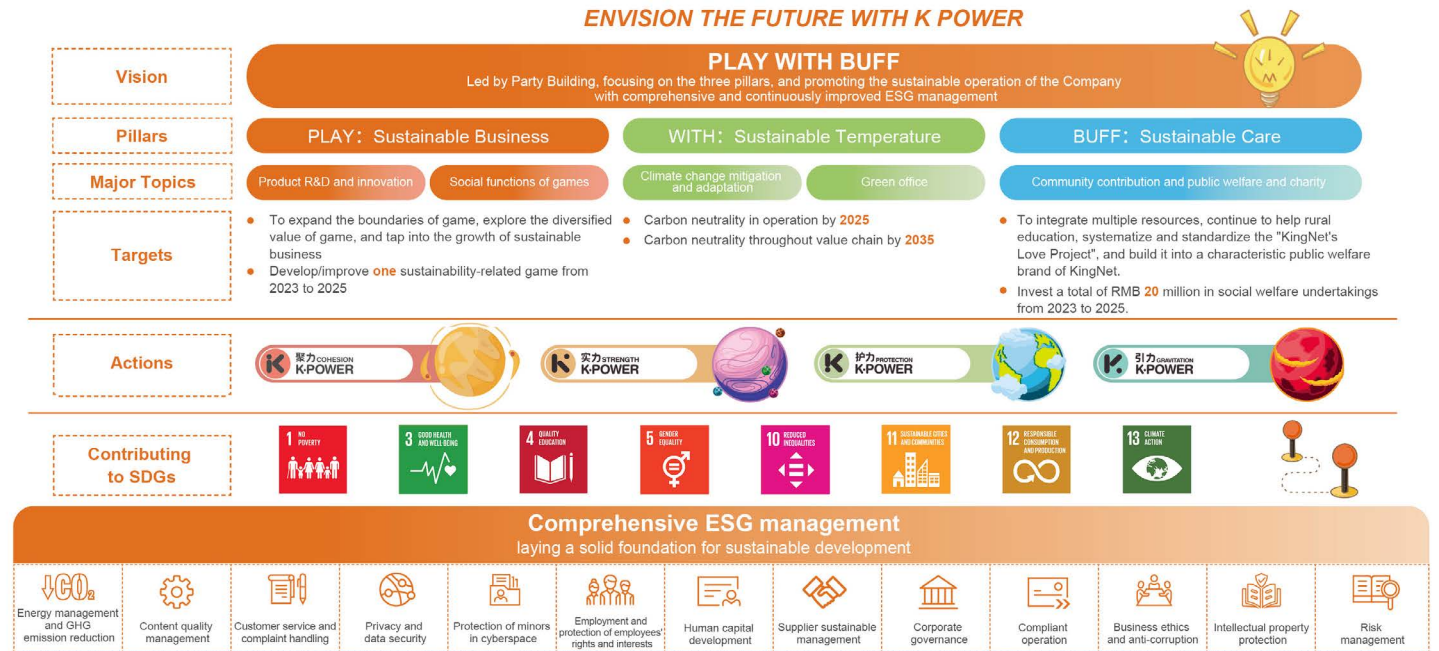
The Company held **1** meeting of the Strategy and Sustainability Committee to deliberate the *2024 Work Report of the Strategy and Sustainability Committee of the Board of Directors*, and to hear a report on the progress of its sustainable development plan goals.



## K Action: 2023–2025 Sustainable Development Plan

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.

### K Action Framework of KingNet Network



The year 2025 marked the final year of the *2023–2025 Sustainable Development Plan*. Over the past three years, the Company has adhered to the sustainability philosophy of "Play With Buff". Driven by K-Power of K Cohesion, K Strength, K Protection and K Gravitation (collectively referred to as K-POWER), the Company has comprehensively advanced sustainability initiatives across environmental, social and governance dimensions. It has fully achieved its strategic objectives and realised a complete closed loop from commitment to performance. This milestone achievement not only demonstrates the scientific rigour and execution capability of the Company's sustainability strategy, but also lays a solid foundation for a higher-standard and more ambitious sustainability blueprint in the future.

## KingNet Network's Targets and Progress for the 2023–2025 Sustainable Development Plan

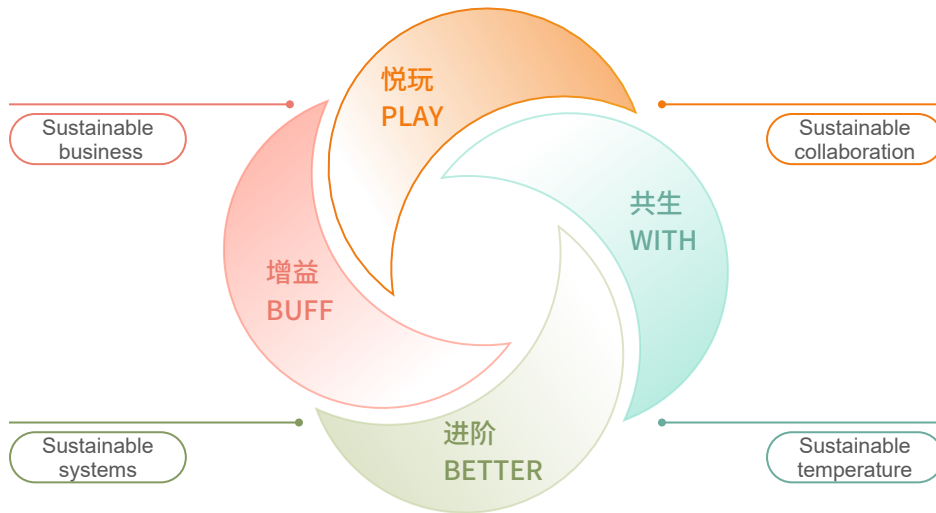
Overall Progress of the Three Strategic Pillars						
Category	Target for 2023–2025	Target Achievement Status	Performance in 2023	Performance in 2024	Performance in 2025	
Play: Sustainable business	One sustainability-related game developed or improved annually	✓	Developed <i>Cleverly catching scammers</i> Launched "KingNet Crafts and Qubits" Developed a psychological follow-up dialogue large language model	Developed <i>Yorozuya</i> Released the mini-game Crafts and Qubits	Developed Migratory Bird Hop	
With: Sustainable temperature	Achieve carbon neutrality in operation by 2025	✓	Total GHG emissions (Scope 1 + Scope 2): 32.99% lower than 2022 Participated in green electricity consumption by procuring a total of 825 green electricity certificates	Participated in green electricity consumption by procuring a total of 1,100 green electricity certificates	Procured 79 tons of Verified Carbon Units (VCUs) through the international voluntary carbon market Participated in green electricity consumption by procuring a total of 3,591 green electricity certificates Achieve operational carbon neutrality	
Buff: Sustainable Care	A total investment of RMB20 million in social welfare undertakings from 2023 to 2025	✓	Community public welfare investment amounted to RMB 6.517 million	Community public welfare investment amounted to RMB 7.3805 million with a cumulative investment of RMB 13.8965 million over the past two years	Social welfare investment amounted to RMB 11.9896 million cumulative investment over three years amounted to RMB 25.8871 million	
Comprehensive ESG Management						
Target for 2023–2025			Target Achievement Status	Performance in 2023	Performance in 2024	Performance in 2025
Promote the diversity of the Board of Directors <sup>1</sup>			✓	Female Directors: 12.5%	Female Directors: 12.5%	Female Directors: 11.1%.
Enhance the independence of the Board of Directors <sup>1</sup>			✓	Independent Directors: 50%	Independent Directors: 50%	Independent Directors: 44.44%
100% coverage of Directors in annual anti-corruption training			✓	100%	100%	100%
100% coverage of Directors in annual ESG training			✓	100%	100%	100%
100% coverage of key position employees in annual compliance training			✓	100%	100%	100%
Zero failures in the anti-addiction system			✓	0	0	0
100% coverage of key position employees in training			✓	100%	100%	100%
Average training 12 hours per employee			✓	18.84	13.05	15.23

<sup>1</sup> In 2025, the Company appointed an additional employee representative Director. As a result of the increase in the total number of board members, the proportion of female Directors and independent Directors declined. However, the actual number of female Directors and independent Directors remains unchanged.

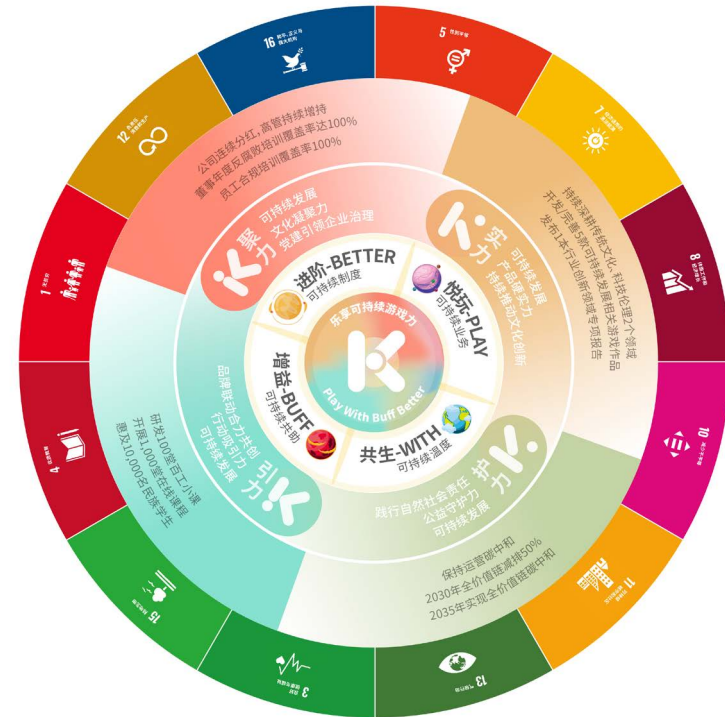
## K Pro Action: 2026–2030 Sustainable Development Plan

In November 2025, we issued the KingNet Network Sustainable Development Plan (2026–2030) action framework, upgrading K Action to K Pro Action, iterating our sustainability vision to “Play with Buff Better”, expanding our sustainability strategic pillars, and continuing to fulfil our commitment to a sustainable future through a long-term approach, moving towards a more sustainable next five years.

KingNet Network Sustainable Development Model



K Pro Action Plan of KingNet Network



# Environmental

## Leading Low-carbon Development for a Green Future

Topics Responded:

Climate response *	25
Green Operations	29
Ecosystem and Biodiversity Protection	31

SDGs Addressed:



# Climate response \*

KingNet Network fully recognises the importance of proactively addressing climate change for the Company's sustainable development. In line with the recommended framework of IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), the Company continuously identifies, assesses and manages climate-related risks and opportunities, and systematically establishes and improves the climate change management system.

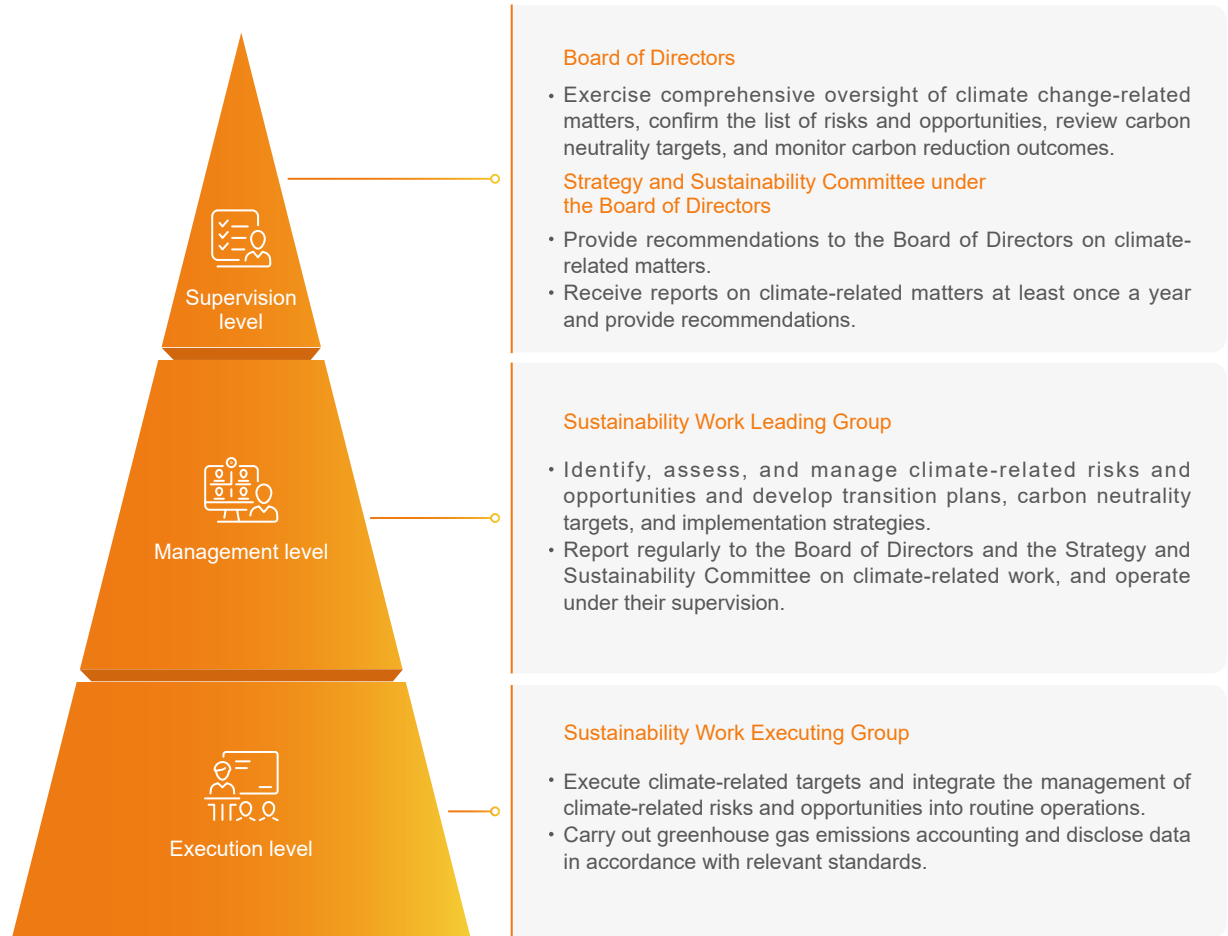
## Governance

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. At the same time, the Company has incorporated climate-related ratings into management performance assessments to ensure effective implementation of climate strategies in daily operations.

## Strategy

The Company regards climate change as a key topic in its sustainability management framework. It continuously identifies, analyses, and assesses climate-related risks and opportunities, and formulates strategies to seize opportunities and mitigate risks. In 2025, the Company achieved its operational carbon neutrality target. On this basis, the Company continues to advance greenhouse gas emission reduction and green operations practices, further strengthening its low-carbon management foundation. The Company has also established medium- and long-term targets to maintain operational carbon neutrality and advance full value chain carbon neutrality, with a clear goal of achieving full value chain carbon neutrality by 2035. The Company continues to explore emission reduction pathways and management mechanisms across the value chain, actively contributing to the achievement of national carbon peaking and carbon neutrality goals.

### KingNet Network's Climate Change Governance Structure



#### Board of Directors

- Exercise comprehensive oversight of climate change-related matters, confirm the list of risks and opportunities, review carbon neutrality targets, and monitor carbon reduction outcomes.

#### Strategy and Sustainability Committee under the Board of Directors

- Provide recommendations to the Board of Directors on climate-related matters.
- Receive reports on climate-related matters at least once a year and provide recommendations.

#### Sustainability Work Leading Group

- Identify, assess, and manage climate-related risks and opportunities and develop transition plans, carbon neutrality targets, and implementation strategies.
- Report regularly to the Board of Directors and the Strategy and Sustainability Committee on climate-related work, and operate under their supervision.

#### Sustainability Work Executing Group

- Execute climate-related targets and integrate the management of climate-related risks and opportunities into routine operations.
- Carry out greenhouse gas emissions accounting and disclose data in accordance with relevant standards.

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

Main Types of Risks/Opportunities		Description	Timeframe of Impact	Existing Financial Implications	Potential Financial Impact	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	In 2025, no property losses or business interruptions caused by extreme climate events occurred.	Increased operating costs	<ul style="list-style-type: none"> <li>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.</li> </ul>
	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	In 2025, chronic climate factors such as high temperatures did not have a material impact on the Company's operations.	Increased operating costs	<ul style="list-style-type: none"> <li>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.</li> </ul>
	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	In 2025, the Company carried out sustainability information disclosure, with related costs of approximately RMB380,000.	Increase in compliance costs	<ul style="list-style-type: none"> <li>To comply with relevant policies and regulatory requirements, the Company should conduct regular carbon accounting, tracking and information disclosure, and are striving to achieve full value chain carbon neutrality by 2035.</li> </ul>
	Reputational 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	In 2025, the Company implemented green procurement practices. The Company procured new energy vehicles, with related costs of approximately RMB 110,000.	Decrease in revenue	<ul style="list-style-type: none"> <li>Promote green operations by integrating energy conservation, resource recycling and low-carbon management concepts into all aspects of daily operations.</li> <li>Actively participate in green electricity consumption and voluntary carbon market trading, maintain operational carbon neutrality, and steadily advance towards full value chain carbon neutrality.</li> <li>Actively advance the presence in the field of intelligent technologies, 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.</li> </ul>
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	In 2025, the Company conducted functional game development and digital content innovation centred on climate change themes, with an investment of approximately RMB300,000.	Increased revenue	<ul style="list-style-type: none"> <li>Develop games or other digital content themed around low-carbon and environmental protection, continuously exploring the positive potential of gaming.</li> </ul>

Based on its existing management system and the identification of climate-related risks and opportunities, the Company analysed their potential current financial impacts. The assessment indicates that the overall financial impact of climate-related risks and opportunities on the Company's current financial position is relatively limited, with related compliance costs, management investments and R&D expenditures remaining within a controllable range. In the short term, these costs and investment levels are expected to remain relatively stable and will not have a material impact on the Company's operating results, cash flow or going concern capability.

## Management of Impacts, Risks and Opportunities

The Company incorporates climate-related risk management into its overall risk management system 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.

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



#### Identification

Identify potential climate-related risks and opportunities in operational activities with reference to the risk analysis framework of IFRS S2 Climate-related Disclosures.



#### Assessment

Based on our actual circumstances, we assess climate-related risks and opportunities that have significant impacts on external stakeholders and our operations from two dimensions-likelihood of occurrence and degree of impact-and analyse their financial implications and time horizons.



#### Monitoring

The Company regularly tracks greenhouse gas emission data and emission reduction performance.

The Company has established carbon neutrality targets and disclose absolute and intensity data on greenhouse gas emissions annually in our sustainability report, using these to assess and monitor our performance in addressing climate change.



#### Management

In response to the identified climate-related risks and opportunities, the Sustainability WorkLeading Group actively formulated response strategies, while advancing energy conservation and emission reduction initiatives to reduce energy consumption and carbon emissions in office operations.

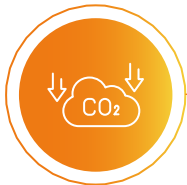
## KingNet Network's 2025 Climate Response Measures and Achievements



### Climate response-related risks and opportunities

- Proactively identified climate-related risks and opportunities in accordance with IFRS S2 Climate-related Disclosures, formulated response strategies and promoted implementation.
- 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.

Achieved a "B" rating (Management level) from CDP, reaching a leading position within the domestic industry.



### Energy utilisation and GHG emissions reduction

- Promoted green office practices to reduce energy consumption in daily operations and achieved operational carbon neutrality in accordance with established plans.
- Advanced the replacement of conventional gasoline vehicles with new energy vehicles to reduce future reliance on non-renewable energy. In 2025, the number of gasoline vehicles was reduced from five to three.
- Promoted green procurement by incorporating environmental requirements into supplier contracts, thereby advancing energy conservation and emissions reduction across the value chain.
- Used environmentally friendly paper and cartons for business gift packaging.



- Participated in the voluntary carbon market and procured 79 tonnes of VCUs to support emission reduction actions.
- Procured 3,591 green electricity certificates, offsetting a total of 3,591 MWh of electricity.
- Procured environmentally friendly gift boxes, reducing a cumulative total of 8.25 tonnes of carbon emissions, equivalent to the annual carbon absorption of 495 trees.

## Metrics and Targets

Building on previous climate actions, the Company achieved operational carbon neutrality in 2025 and have established it as a standard management objective to be maintained. In 2025, the Company set medium- and long-term targets of achieving a 50% reduction across the full value chain by 2030 (compared with 2025) and achieving full value chain carbon neutrality by 2035, with clearly defined pathways for value chain emission reduction.

To achieve these targets, the Company continues to implement energy conservation, emission reduction and low-carbon operation initiatives, gradually improving the management mechanism for greenhouse gas emissions across the value chain. Through regular monitoring and evaluation of carbon reduction performance, the Company dynamically tracks progress towards its targets.

### GHG Emissions Metric Performance of KingNet Network for 2025



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

**0.01** tCO<sub>2</sub>e/RMB million



- Scope 3 GHG emissions

**201,785.85** tCO<sub>2</sub>e

# Green Operations

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. The Company's operations do not involve highly polluting or high-emission production processes, and the Company's overall environmental impact is relatively limited. 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.

The Company adheres to the concept of green development and continuously reduces environmental impacts across the value chain. In 2025, the Company issued the *K Office Action Guidelines*, systematically promoting green office practices in areas such as energy management, resource conservation, waste management and low-carbon travel.



K Office Action Guidelines

In 2025, the Company advanced green operations in areas such as paperless office practices, rational electricity use, recycling of office supplies, waste classification, green travel and green procurement.

## Key Initiatives of KingNet Network's "K Office" Action for 2025



### 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 2025, paper consumption decreased by 11% compared with 2024.



### 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.



Install energy-saving lamps in the office area



### 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 prohibits the use of disposable chopsticks.



Packaging of the Induction Gift for New Employees



Issuance of Tableware Sets

## Waste sorting

- 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.

## Green procurement

- For service providers, priority is given to those with green data centers, in order to reduce carbon emissions in the value chain.
- During procurement, environmentally friendly materials are prioritised:
- Mid-Autumn Festival gift boxes made of eco-friendly paper and cartons reduced carbon emissions by a total of 3.65 tonnes.
- New Year gift boxes made of eco-friendly paper and cartons reduced carbon emissions by a total of 4.6 tonnes.



### Eco-friendly Gift Boxes

In addition, during the construction of the Company's Digital Economy R&D Centre, strong emphasis has been placed on green and low-carbon principles and environmental protection, with green building requirements integrated throughout the planning, design and construction processes. During the design phase, environmentally friendly materials were prioritised, solar photovoltaic systems were installed, and green spaces with water retention functions were incorporated to promote energy conservation and resource recycling. During construction, high-efficiency energy-saving equipment was used, temporary facility layouts were optimised, water-saving processes were implemented, and full-process pollution and noise control measures were applied to minimise environmental impacts.

In 2025



the Company recorded **no** incidents of non-compliance relating to environmental.

## 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.

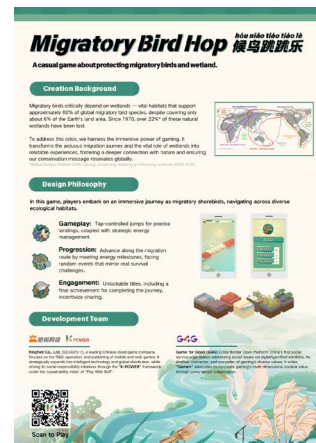
Based on its business characteristics, the Company has established a multidimensional system for biodiversity protection through public awareness campaigns, educational initiatives, participation in public welfare activities and the development of environmentally themed games. This includes broad user engagement through online games, deeper awareness and practice through offline activities, and systematic education through professional courses, thereby enhancing awareness and participation in biodiversity protection among employees and the public.

### Case

#### Development of the Sustainability Game *Migratory Bird Hop*

In September 2025, the Company collaborated with the G4G platform to officially launch the sustainability game *Migratory Bird Hop*. Centred on migratory bird protection and ecological education, the game uses immersive experiences to guide players in understanding the survival challenges faced during migration, the importance of habitat protection, the impact of human activities on ecosystems, and the urgency of biodiversity conservation.

In November 2025, *Migratory Bird Jump* was showcased at the thematic exhibition area of the 30th United Nations Climate Change Conference (COP 30), presenting China's corporate practices in using digital tools for biodiversity conservation through a model of "gaming + education + public welfare". The accompanying offline interactive experience area attracted over 10,000 participants, effectively enhancing public awareness and understanding of biodiversity topics.



Migratory Bird Hop Showcased at COP 30

Case Strengthening Public Awareness on Biodiversity Protection

In response to biodiversity protection initiatives, the Company planned and produced themed public welfare posters in conjunction with key occasions such as World Forest Day and the International Day for Biological Diversity. Through multiple communication channels, the Company promoted biodiversity conservation concepts, encouraged public attention to ecological issues, and advocated collective participation in environmental protection actions.



KingNet Network Biodiversity Public Welfare Posters

Case Development of Biodiversity Education Courses

The Company collaborated with Shanghai Botanical Garden and the Society of Entrepreneurs & Ecology Foundation to develop the Shanghai Nature Education biodiversity science education course series. The project developed 10 public-oriented nature education courses on biodiversity, covering ecosystem protection, species diversity and the relationship between humans and nature, systematically enhancing public awareness and participation in biodiversity issues.

At the same time, the course series was incorporated into the Company's KingNet's Rural Cloud Education programme, providing rural children with more professional and diverse nature education content and helping broaden their ecological awareness and scientific literacy.



On-site Natural Education Course Sessions

# Social Chapter

## Sustained Innovation and Advancing for Good

Topics Responded:

Product R&D and Innovation\* 34

Technology Ethics 42

Social Functions of Games\* 43

Content Quality Management\* 50

SDGs Addressed:



## Product R&D and Innovation\*

KingNet Network has embraced the wave of AIGC and the digital economy by building a diversified, symbiotic and co-evolving innovation ecosystem. While remaining focused on its core gaming business, the Company has also made forward-looking investments in intelligent and digital businesses. Through technological innovation, it is pushing back the boundaries of value creation, fostering new growth drivers, and continuously enhancing business resilience and risk preparedness, thereby injecting strong internal momentum into its high-quality development.

### 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 the position of Chief Research Officer and formed Game R&D Division, IP R&D Department, and Technology Platform System. These units are respectively responsible for the development of game products, IP content, AI large models and 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.

#### Automatic

Realising the automation of the R&D middle office or back office to some extent and matching the best solutions based on R&D accumulation

#### Pipeline

Disassembling, defining, and forming a fixed R&D process

#### Modular

Modularising different R&D links to further improve R&D efficiency and reduce costs

#### Standardised

Defining the requirements and delivery standards for each link of the R&D process



Industrialised R&D System of KingNet Network

## 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 Impact	Response Strategy
Risks	Infringement risk	Short-, medium-, and long-term	Increased compliance costs	<ul style="list-style-type: none"> <li>Comply with intellectual property laws and regulations to protect the legitimate rights and interests of original creators.</li> </ul>
	Emerging money laundering risk			<ul style="list-style-type: none"> <li>Establish anti-money laundering and counter-terrorism financing mechanisms to prevent the platform from being used for illicit activities.</li> </ul>
	Geopolitical risk		Decrease in revenue	<ul style="list-style-type: none"> <li>Develop diversified IP portfolios while minimising the introduction of content from high-risk regions.</li> </ul>
Opportunities	Market opportunity	Short-, medium-, and long-term	Increase in revenue	<ul style="list-style-type: none"> <li>Increase R&amp;D funding and intensify R&amp;D investment.</li> <li>Diversify product categories and expand the range of self-developed games to maintain a well-balanced short-, medium-, and long-term product development pipeline.</li> </ul>
	Technology opportunity			Reduced operating costs

## Management of Impacts, Risks and Opportunities

### Game R&D

Over years of development, the Company has built up extensive experience in game development and launched a range of premium hit titles. We are committed to building a broader and more distinctive product portfolio with greater genre diversity. At present, our main products fall into two broad categories: Retro-themed games and innovative premium games.

### Main Game Products of KingNet Network in 2025



Case

**Three Kingdoms: The World Unites Brings a New Nation-War Mobile Game Experience to Generation Z**

*Three Kingdoms: The World Unites* is a new faction-based SLG mobile game designed for Generation Z. Built around a core design philosophy that balances pace and strategy, the game does away with tedious resource farming and excessive grinding, allows players to switch freely between multiple scripts within a single season, and offers high-return gameplay rewards. It breaks away from the cumbersome mechanics and drawn-out seasonal rhythm often associated with traditional SLG games. Through innovative features such as free trading, penalty-free faction switching, nine-grid formation deployment and distinctive pursuit mechanics, it offers players a more distinctive and accessible Three Kingdoms battlefield experience.

Since obtaining its publishing licence, *Three Kingdoms: The World Unites* has gone through multiple rounds of testing. At the Firefly Anime Game Carnival 2025, its warship-themed exhibition stand became a popular attraction, and the title also received the Golden Plume Award for Most Anticipated Mobile Online Game by Players.



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"> <li>Rapid iteration and product optimisation</li> <li>Preliminary exploration and experimental application of trending technologies</li> </ul>	<ul style="list-style-type: none"> <li>Launch low-cost, rapid-iteration custom projects</li> </ul>	<i>Shan Hai Fu Meng Lu</i>
Medium-term products	<ul style="list-style-type: none"> <li>Product line expansion to cover niche segments</li> <li>Diversified development</li> </ul>	<ul style="list-style-type: none"> <li>Advance self-development of top-tier licenced IP products</li> <li>Collaborate with external partners on customised development</li> </ul>	<i>Legends of the Condor Heroes, Divine Condor, Errant Knight, and The Heaven Sword and Dragon Sabre</i>  <i>Mr Black</i>
Long-term products	<ul style="list-style-type: none"> <li>Research and expansion of cutting-edge technologies</li> <li>Ecosystem development and strategic deployment</li> </ul>	<ul style="list-style-type: none"> <li>Develop original IPs for cross-platform deployment</li> <li>Develop an unreal engine</li> </ul>	<i>Time Raiders</i>  <i>The Graver Robbers' Chronicles</i>

We deeply integrate player feedback into product development decisions, optimising gameplay, art design and storytelling based on user insights. This forms a user-driven agile iteration mechanism, continuously advancing innovation in gameplay and content.

## AI Ecosystem Innovation

As an early mover in exploring AI applications within the gaming industry, KingNet Network is deeply engaged in building an AI gaming ecosystem. From addressing efficiency bottlenecks in AI-generated games to creating new experiences that blend the virtual and the real, the Company continues to explore the potential of AI in gameplay innovation and user co-creation, helping to foster an inclusive digital ecosystem and promote more harmonious interaction between people and machines.

### KingNet Network AI Ecosystem Strategy

Layer	Key Initiatives	Flagship Products
 Tool Layer	Through a combination of in-house development and partnerships, we have built AI productivity tools covering the entire game development process, empowering small and medium-sized developers and enabling AI to evolve from understanding creativity to delivering creative output.	<ul style="list-style-type: none"> <li>• SOON, a full-process AI game development platform</li> </ul>
 Content Layer	In response to diverse societal needs for emotional companionship, we have entered the AI companionship sector, promoting the evolution of AI from a tool to an emotional companion.	<ul style="list-style-type: none"> <li>• Warm Star Valley Dream Journey, a healing AI-powered trendy doll brand</li> <li>• EVE, a 3D AI companionship app</li> </ul>
 Terminal Layer	We have established an "AI + hardware" terminal ecosystem, providing a hardware foundation for future gaming interaction models and virtual-real integrated experiences, and promoting the evolution of smart wearables from niche gadgets to mass-market intelligent devices.	<ul style="list-style-type: none"> <li>• DPVR AI Glasses</li> <li>• Warm Star Valley Dream Journey, a healing AI-powered trendy doll brand</li> </ul>

## Case

### SOON Empowering the Gaming Industry Towards Full Automation with AI

The SOON platform is a full-process AI development platform designed for the gaming industry. Built on KingNet Network's proprietary Xingyi foundation model and deeply integrated with multimodal AI capabilities, it enables end-to-end automation across art asset generation, code creation and numerical design. By shortening traditional game development cycles from months to hours, it significantly supports the gaming industry's transition towards fully automated AI development.

SOON breaks game generation down into three core components: Art assets, code creation and numerical design. Dedicated AI agents work collaboratively to generate each module, while the platform also introduces the role of a "game preset designer", allowing professional users to provide gameplay templates and ordinary users to create games through simple prompts. In doing so, it fosters a two-sided user ecosystem.

At present, SOON primarily serves the mini-game market, helping developers validate ideas quickly, reduce trial-and-error costs and support a more dynamic creative ecosystem. The platform was officially launched for download in July 2025 via its official website(soonjy.com), and received the "Top 10 Innovative Products in China's AI Industry in 2025" award.



## Case

**EVE Brings Cinematic Virtual Companionship Through a 3D AI Companion**

In 2025, BLUESPACE LIMITED (known domestically as NatureSelect.ai), an investee of the Company, launched *EVE*, the world's first 3D AI companionship application.

*EVE* is designed to foster long-term, emotionally rich virtual relationships. Powered by NatureSelect.ai's proprietary multimodal interaction system, it integrates the emotional dialogue model Vibe and the memory model Echo. Trained on an exclusive corpus comprising hundreds of millions of data points, it enables the AI to understand semantic context accurately, recognise users' emotions, generate responses with a coherent sense of personality, and continuously build personalised, dynamic memory. *EVE* also features high-quality 3D virtual characters and a commercial game-grade narrative system, delivering an immersive experience across language, visuals and emotional interaction. Its unique "real-world perception module" enables companionship behaviours to respond to the user's time, location, environment, schedule and situational context, extending AI companionship beyond emotional value into more structured everyday support.



## Case

**Warm Star Valley Dream Journey Opens Up New Opportunities in the Emotional Economy**

*Warm Star Valley Dream Journey* is a healing AI-powered trendy doll brand launched by KingNet Network. Built around an "intelligent doll + virtual game" model, it is designed to meet young consumers' growing demand for emotional companionship. Centred on the concept of a "digital life form spanning both virtual and real worlds", the brand has introduced the Star Child series of AI-powered intelligent dolls. Equipped with built-in AI chips, the dolls support voiceprint recognition, motion-based interaction, AI conversation, long-term memory and an intelligent accessories system, with deeper interaction unlocking additional features and gameplay. Its companion software creates the fantasy world of Warm Star Valley and, through light gameplay such as nurturing, exploration, dress-up and story-based progression, forms a closed-loop ecosystem combining hardware interaction with software-based development. This enables features such as data inheritance for the dolls and linkage between virtual and real-world scenarios.

The brand aims to create healing AI trendy dolls with long-term companionship value. The first-generation Star Child series of AI-powered intelligent dolls, Goodnight Sheep and Worry-Free Bird, were brought to market in December 2025.



Case

DPVR AI Glasses Redefine Smart Terminals

In 2025, DPVR, an investee of the Company, launched its first AI glasses product, DPVR AI Glasses. Equipped with a first-person capture function, together with Electronic Image Stabilization<sup>1</sup>(EIS), High Dynamic Range<sup>2</sup> (HDR) optimisation and distortion-correction algorithms, the product delivers stable and clear imaging in sports, commuting and everyday recording scenarios, helping users capture meaningful moments in daily life. In terms of user experience, the product structure underwent hundreds of rounds of optimisation to ensure comfort even during extended use.

Developed through a collaboration between DPVR and Baidu AI Cloud, DPVR AI Glasses are deeply integrated with Baidu AI Cloud's Qianfan large-model platform and powered by the DeepSeek-R1/V3 model series. The product supports intelligent interactions such as voice-enabled image recognition, content Q&A and scene recognition. Users can, for example, use voice commands to look up information on tourist attractions, identify museum exhibits or receive recommendations for trending blind-box series, delivering a smart experience that is intuitive, companionable and genuinely useful.

Moment For You



The Company actively fosters an innovation ecosystem that integrates industry, universities and research institutes. Through diversified external collaboration mechanisms, including university-enterprise partnerships and cooperation on AI large-model technologies, it connects research resources of universities with industrial application chains, enhances its R&D and innovation capabilities, and accelerates the commercialisation of research outcomes.

External AI Collaboration Projects of KingNet Network

University-enterprise collaboration

Shanghai  
University of  
Engineering  
Science

- We established cooperation with the International Institute of Creative Design of Shanghai University of Engineering Science to jointly establish a practice and research platform, further advancing an education model that integrates learning and innovation.
- The two parties will also work together to build a practice-based teaching system covering professional skills in game art, planning, numerical design and engineering, with the aim of narrowing the traditional divide between theory and practice in teaching.

University-enterprise collaboration

- Leveraging Jiyi's self-developed one-stop AI game creation platform SOON, Communication University of Zhejiang has incorporated "game development technology" into its core curriculum, enabling deep integration of teaching content with cutting-edge technology and making practical, application-oriented learning outcomes more tangible for students.

Communi-  
cation  
University of  
Zhejiang

Model collaboration

01.AI

- The two parties have established in-depth cooperation to jointly develop large models for the gaming industry, promoting the deep integration of gaming and AI and driving innovative transformation.
- The collaboration will focus on the intelligent upgrading of game engines and related platforms, exploring solutions that improve efficiency across the entire value chain, from development to operations, around key stages of game R&D.

1. EIS (Electronic Image Stabilization)A digital image stabilization technology that utilizes software algorithms and image processing to counteract hand shake or device vibration during shooting, thereby enhancing video stability.

2. HDR (High-Dynamic Range)An image processing technology that restores realistic lighting details and a sense of depth—matching human visual perception—by expanding the brightness threshold (range from darkest to brightest) and color gamut coverage.

## Digital Platform Development

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 2025, KingNet Chain continued to promote integrated innovation in digital assets, improve its compliance framework and dual-track circulation system, develop a gamified digital asset ecosystem, empower the AI art creation ecosystem, and explore new pathways for the digitalisation of brand IP and the international dissemination of Chinese culture. In doing so, it delivered end-to-end outcomes spanning the technological foundation, content innovation and cultural value transformation, while fostering mutually beneficial growth among users, creators, partners and the platform itself, allowing digital value to continue growing through a sustainable cycle.

### Achievement Highlights of KingNet Network's KingNet Chain Platform in 2025

#### Compliance framework and dual-track circulation system



- The platform has established intelligent risk control, on-chain data storage and traceability mechanisms to enable full-process compliance assessment;
- Leveraging Conflux's blockchain technology to optimise its multi-chain and cross-chain architecture, the platform has developed a dual-track model of "compliant domestic issuance + multi-chain overseas circulation".

#### Empowering the AI art creation ecosystem



- The platform integrated blockchain, Web3.0 and AI technologies to establish an AI artist certification system and create dedicated zones for creators;
- It supported AI creation competitions, customised and issued digital commemorative badges and digital trophies, and collaborated with artists to launch AI digital art series, promoting global cultural dialogue and the dissemination of artistic diversity through digital technologies.

#### Gamified digital asset ecosystem



- Light-interaction mini-games such as *Feng Kuang Diao Yu* were launched, enabling users to acquire and accumulate digital assets naturally through low-barrier, highly engaging participation, such as online themed competitions. These assets may take the form of virtual items or certificates of entitlement to physical benefits. In this way, traditional consumption behaviour is transformed into a process of value creation, helping to build a more dynamic and sustainable internal economic cycle.

#### Brand IP digitalisation and international dissemination of Chinese culture



- The platform provided customised digital asset issuance solutions for IP and brands, participated in the formulation of industry standards and co-established a compliant trading system with Zhejiang Culture Assets and Equity Exchange to promote standardisation of digital asset transactions.
- It leveraged digital technologies to facilitate the international dissemination of traditional cultural IP, creating digital content that is collectable, tradable and usable, expanding brand narrative boundaries and establishing new forms of long-term, interactive digital connection with users.

#### Case

#### KingNet Chain Activates Cultural Tourism Consumption Through a "Digital Assets + Real Economy" Model

Leveraging blockchain technology, KingNet Chain has built an integrated system combining digital assets with the real economy, supporting the digital upgrading of the cultural tourism industry. The platform upgrades traditional scenic area tickets into digital assets, enabling paperless and environmentally friendly entry through QR code verification, while also incorporating bundled benefits such as purchase offsets and souvenir redemption to create a one-code consumption loop.

The platform has also pioneered an integrated online-to-offline benefits model. Online, users receive digital benefits such as virtual items and priority access; offline, the platform works with partner attractions, time-honoured brands and intangible cultural heritage workshops across China to provide services such as physical redemption and discounted reservations. This creates a connected ecosystem of "online collection, offline consumption". This model has proven effective in driving footfall at physical businesses, promoting deeper integration between the digital economy and the real economy, and supporting innovation in the cultural and tourism sector.

## Metrics and Targets

Based on differentiated business models, we have established a tiered and categorised R&D and innovation management system, continuously deepening innovation investment across three core technology areas, namely gaming, AI and digital platforms, to steadily unlock technological value. In 2025, our R&D investment reached RMB 595 million, accounting for 11.18% of our revenue.

KingNet Network's R&D Investment Performance from 2023 to 2025

Year	2023	2024	2025
Amount of investment	RMB 527 million	RMB 598 million	RMB 595 million
As a percentage of revenue	12.26%	11.69%	11.18%

### Honours and Recognition for KingNet Network's R&D and Innovation in 2025

Shanghai KingNet Software  
 "Specialised, Sophisticated, Distinctive and Innovative Enterprise in Shanghai".

Shanghai Doushi  
 "2025 Shanghai Software Core Competitiveness Enterprise (Innovation-Oriented)".

The Company's associate, Hangzhou Jiyi AI Technology Co., Ltd. received 9 awards, including the "2025 AI Technology Innovation Breakthrough Award", "2025 Outstanding Application Case for Digital China Development", "2025 Top 50 Emerging AI Enterprises" and "2025 Top 30 High-growth Emerging High-tech Companies in China".

#### KingNet Network's Intellectual Property Performance in 2025

- Number of active patents during the reporting period **23**
- Number of trademarks approved during the reporting period **26**
- Cumulative number of approved trademarks **664**

#### KingNet Network's Digital Asset Development Performance in 2025

- Mini-game digital assets **297,146**
- Brand assets **21,335**
- AI artist assets **117,700**
- Co-created assets with global artists **265,000**

# Technology Ethics

KingNet Network strictly complies with applicable laws and regulations, including the *Interim Measures for the Administration of Generative Artificial Intelligence Services* and the *Measures for the Labelling of AI-Generated and Synthesised Content*, and has formulated the *AIGC Safe Use Management System*. In the development of AI, the Company adheres to a people-oriented and intelligence for good approach, earnestly fulfils its compliance responsibilities and ethical obligations in the AI era, and supports the development of a safe, trustworthy, inclusive and broadly accessible AI industry ecosystem. In 2025, the Company recorded no incidents of non-compliance relating to technology ethics.

During the development of AI-related products, we established safeguards such as prompt control and content generation review, achieving a dynamic balance between technological innovation and compliant operations.

In 2025



the Company recorded **no** incidents of non-compliance relating to technology ethics.

## Technology Ethics Risk Prevention and Control Measures

AI game creation platform

- We implemented prompt control mechanisms to strictly prohibit game preset designers from inputting prompts related to IP that has not been fully and lawfully authorised, including but not limited to detailed textual descriptions of IP characters and styles, as well as prompts involving illegality, non-compliance, infringement, pornography, violence, gore, religion or politics, thereby blocking risks at the source.
- We established a “three lines of defence” content review mechanism. The first line of defence focuses on training data governance, with strict control over the quality of image and content materials. The second line of defence consists of professional review, under which supervisors assess generated content for compliance. The third line of defence strengthens decision-making oversight, with senior management conducting final risk assessment and judgement.

AI-powered dolls

- We utilise the built-in alignment capabilities of foundation models to constrain generation logic, and introduce output-layer filtering systems to detect and replace abnormal content generated by foundation models, ensuring that interactive content remains appropriate and compliant.

In addition, the Company has partnered with the Guanghai Law School of Zhejiang University to launch a special research project on tech ethics. Officially kicked off in November 2025, the collaboration also saw the co-hosting of the inaugural “Digital Law Monthly Forum” to establish a platform for industry-academia-research exchange.

### Case

#### Kingnet Network Participates in Zhejiang University’s “Digital Law Monthly Forum”

The project plans to publish a research white paper in 2026. Moving forward, we will proceed in an orderly manner with literature research, review writing, and industry surveys, continuously exploring practical pathways for Tech for Good. During the “Digital Law Monthly Forum” on technological ethics held by Zhejiang University in December 2025, the company shared its experiences in ethical governance practices in the development of game AI.

The company introduced the intellectual property compliance risks encountered during the process of conducting specialized training based on open-source large models, and pointed out that technology developers face dual responsibilities in terms of technological ethics in practice: they need to promote the innovative application of AI technology, while also bearing corresponding responsibilities for the compliance risks brought about by the uncontrollability of the underlying model's behavior. On this basis, the company proposed the necessity of establishing a more refined responsibility stratification mechanism to clearly define the responsibility boundaries among the basic model provider, the model fine-tuning service provider, and the end user. The related exploration reflects the company's cautious attention to technological ethics issues in AI technology research and development, as well as its practical orientation of promoting industry collaborative governance.

# Social Functions of Games\*

## Governance

We deeply integrate sustainability concepts into our core business operations, continuously promoting traditional culture and telling Chinese stories to the world through gaming, thereby creating diverse social value.

Based on our sustainability governance framework, the IP R&D Department is responsible for IP content planning, development and operations. Using game IP as a bridge, we innovate models for the inheritance of intangible cultural heritage and explore new pathways for cultural dissemination through the integration of "game IP + traditional craftsmanship". We continue to advance our strategy for the international dissemination of Chinese culture, leveraging a diversified IP portfolio and global operational network to showcase the richness and appeal of traditional Chinese culture to overseas players, thereby supporting the enhancement of the reach and influence of Chinese civilisation and the country's cultural soft power.



## Strategy

To better demonstrate the cultural attributes and positive value of games and promote the healthy development of the gaming industry, the Company assessed and analysed the impacts, risks and opportunities related to the social functions of games based on its business strategy and characteristics.

### Risks/Opportunities Related to the Social Functions of Games Identified by KingNet Network and Corresponding Response Strategies

Type of Risk/Opportunity	Timeframe of Impact	Potential Financial Impact	Response Strategy
Cultural conflict risk	Short-, medium-, and long-term	Increased operating costs	<ul style="list-style-type: none"> <li>During the process of game exporting, fully consider the cultural context and user preferences of the target market, and do a good job in the localization of content and operations.</li> </ul>
Market and policy opportunity	Short-, medium-, and long-term	Increased revenue	<ul style="list-style-type: none"> <li>Present traditional culture in modern and youth-oriented formats that resonate with younger audiences, enhancing cultural vitality</li> <li>Effectively promote Chinese culture globally, enhance cultural soft power and foster international understanding</li> <li>Explore the integration of cutting-edge technologies with cultural content, providing new ideas for industry development</li> </ul>

## Management of Impacts, Risks and Opportunities

The Company is committed to promoting traditional culture, empowering the inheritance of intangible cultural heritage through IP and digital technologies, and actively expanding into global markets, using games as a medium to tell Chinese stories to the world.

### Promote Traditional Culture

The Company has developed *Crafts and Qubits*, an original IP inspired by traditional Chinese craftsmanship. Incorporating more than 30 traditional craft practices included in intangible cultural heritage registers, such as traditional incense making, rattan weaving, bamboo weaving, papermaking, oil-paper umbrella making and shadow puppetry, into a compelling narrative, the IP has evolved into a content matrix spanning games, animation, comics, novels, and cultural and creative merchandise. In 2025, *Crafts and Qubits* continued to advance content creation and, through multiple channels including merchandise development, brand collaborations and digital empowerment, promoted the creative transformation and innovative development of intangible cultural heritage.



### Major Development Achievements of *Crafts and Qubits* in 2025



#### Details Type

- ▶ **Comic serialisation:** The main storyline continued through Episode 88. In collaboration with the Social Responsibility Team, a spin-off titled *Research Adventure* was launched, focusing on the customs, local culture and intangible cultural heritage stories of provinces with significant ethnic minority populations. Episodes set in Xinjiang, Quanzhou and Yunnan have already been released.
- ▶ **Audiobook Release:** Adapted from the *Crafts and Qubits* novel, the 120-episode audiobook was launched on platforms including Ximalaya, QQ Music, Lazy Audio, Kuwo and Kugou, and achieved more than 100,000 cumulative plays.
- ▶ **Animation Project:** Season One successfully completed its funded project under the Yuhang District Cultural and Arts Development Fund and additionally obtained broadcast authorisation from Inner Mongolia Television. Season Two received RMB 1 million in funding and has completed more than 60% of its content production. It also marked the first attempt to adopt a "2D hand-drawn + AIGC" approach in the production of individual episodes. Production, regulatory submission, distribution and project completion are expected to be completed in 2026.





### Intangible cultural heritage inheritance practices

- ▶ The Company participated in animation screening events organised by the Hangzhou Cultural and Creative Industry Development Centre, and the animation was screened free of charge in more than six museums.
- ▶ Its cultural and creative products were also officially introduced into the retail shop of the Zhejiang Intangible Cultural Heritage Museum.
- ▶ In addition, the Company designed and developed a broader range of handicraft material kits inspired by intangible cultural heritage, launching more than ten products, including a Jia Ma woodblock print craft kit, Jia Ma print acrylic fridge magnets, a bamboo-woven hanging ornament symbolising blessings and prosperity, and a bamboo-woven pinwheel symbolising a turn in fortune, all of which were also exhibited at the 6th Yangtze River Delta International Cultural Industries Expo.



### Brand collaboration and promotion

- ▶ The Company collaborated with Xiaoshan Benwei, a brand under Xiaoshan Industrial Development Group, to launch a co-branded cultural gift box drawing on the Zhejiang provincial intangible cultural heritage crafts of Xiaoshan preserved radish making and Xiaoshan printmaking, thereby supporting both agricultural product promotion and intangible cultural heritage preservation.
- ▶ It also partnered with Lila Foods to launch Crafts and Qubits food toy cards.
- ▶ The Company worked with Balabala to launch the Oriental Treasures Chinese New Year animated short series and related festive pop-up events, in which Crafts and Qubits cosplayers wore the brand's Chinese New Year collection to promote intangible cultural heritage.



### Digital empowerment and interactive co-creation

- ▶ In the first phase of "If I Were a Crafts and Qubits Member" campaign, the Company introduced IP character models and AI-generated storyline gameplay, attracting participation from more than 20,000 users. The campaign generated 1.25 million images and achieved a popularity score of 2.34 million on the platform, while the completion rate for the "entrance test" adventure storyline reached 37%, ranking first among the platform's adventure-themed experiential campaigns.
- ▶ In the second-phase "Crafts and Qubits Battle" campaign, users were invited to create their own Crafts and Qubits characters and take part in battle mini-games. The campaign recorded a popularity score of 2.03 million on the platform, with 25,000 characters created and 15,000 battles initiated, while the official account remained actively engaged with users throughout the campaign.



The Company has also developed *Seasonal Voice*, an original anthropomorphic IP based on traditional Chinese festivals and solar terms. A wide range of products has been developed around the IP, including games, picture books, comics, animation, novels, virtual characters and digital collectables, as well as cultural and creative derivatives such as cards, board games and folk costumes. In 2025, *Seasonal Voice* continued to advance in areas such as intangible cultural heritage inheritance and technological integration, achieving synergy between IP development and social value creation.

## Major Development Achievements of Seasonal Voice in 2025

### Innovation through collaboration with intangible cultural heritage

- ▶ In collaboration with the Jingdezhen-based brand, Ci'er, *Seasonal Voice* developed a porcelain collection inspired by the solar terms, which was showcased in the cultural and creative retail space of the China National Arts and Crafts Museum / China Intangible Cultural Heritage Museum, reflecting the deep integration of the IP with traditional ceramic craftsmanship.
- ▶ The Company also partnered with Zhu's Copper Art to launch co-branded copper relief artworks based on *Seasonal Voice*'s illustrations themed around the Huazhao Festival and Longtaitou Festival, further expanding the scope of collaboration with traditional arts and crafts.



### Technology integration and empowerment

- ▶ In collaboration with platforms such as AITOP100, the Company hosted competitions including the "Seasons of Charm: AI Agent Innovation Competition" and the "Chinese Aesthetics of the Seasons, Reimagined for the Future" AIGC Short Drama Content Creation Competition, encouraging participants to use AI technologies to reinterpret the IP and explore new forms of cultural and technological integration.



### Community collaboration and co-creation

- ▶ The Company continued to organise offline community events, including the "Everyday Tea Talks" series and autumn tea talks, using immersive experiences to connect traditional culture with modern life.
- ▶ It also collaborated with Xiezhi, the cultural IP of Pujiang Town in Minhang District, Shanghai, to co-create and publish *Seasonal Voice: Xiezhi Proverbs Collection*, a comic themed around intangible cultural heritage that promotes local customs and proverb culture through the comic format.



### Advancing social inclusion

- ▶ The Company released an accessible version of *Seasonal Voice* across online platforms, featuring audio description, subtitles for the hearing impaired, and sign language interpretation, in order to meet the cultural needs of people with visual and hearing impairments, demonstrating the inclusiveness of digital content and a strong sense of social care.

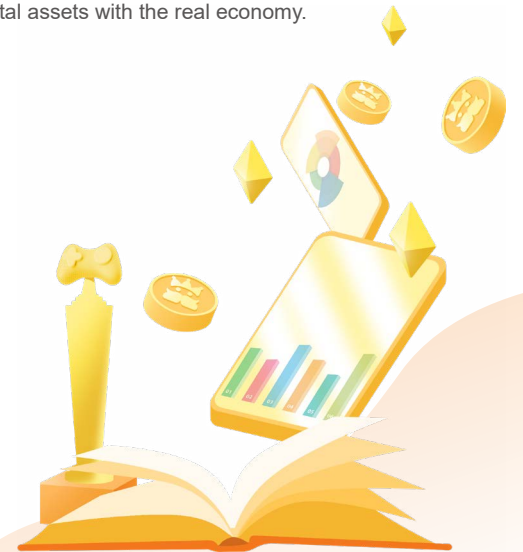


### Empowering youth education

- ▶ The Company participated in the creation of the immersive reading-themed park Reading Together, in which *Lantern Festival Joy* was featured as one of the classic literary scenes, helping to promote youth reading and education in traditional culture.

The Company's digital asset platform KingNet Chain actively responds to national initiatives to promote the inheritance and innovation of traditional Chinese culture by integrating traditional cultural elements with modern digital artworks through digital and blockchain technologies.

In 2025, KingNet Chain collaborated with the IP *Seasonal Voice* to launch exclusive digital assets for the "Preserving Intangible Cultural Heritage and Sharing the Seasonal Voice New Year Goods Festival" campaign. By integrating online and offline benefits, the campaign brought intangible cultural heritage to life in a more youth-oriented and interactive manner, helping to broaden its audience base, deepen the platform's cultural value and social impact, and generate valuable insights into the commercial potential of integrating digital assets with the real economy.



## Promoting the International Dissemination of Chinese Culture

The Company has thoroughly implemented the national strategy of building China into a leading country in culture, continued to expand its games overseas, and actively strengthened its global distribution presence. While further consolidating its position in Hong Kong, Macao and Taiwan, South Korea and Southeast Asia, the Company also sought to make inroads into Japan and Europe, with a view to bringing more game products with distinct Chinese characteristics to the international stage and contributing further insight and momentum to the international dissemination of Chinese culture.

In 2025



the Company's overseas revenue reached

RMB **595** million

Up

**17.78%** year-on-year

### Overseas Distribution Achievements of KingNet Network in 2025



#### War of Angels

Hong Kong, Macao and Taiwan regions of China; South Korea; Southeast Asia region; Europe and America regions



#### Sword and Fairy: A New Beginning

Hong Kong, Macao and Taiwan regions of China; Southeast Asia region



#### The New Heaven Sword and Dragon Saber

Hong Kong, Macao and Taiwan regions of China; Southeast Asia region



#### Party Not Beast Control

Hong Kong, Macao and Taiwan regions of China



#### Super Shrimp Battle

Hong Kong, Macao and Taiwan regions of China; Southeast Asia region

We leverage IP value to empower the international dissemination of Chinese culture, continuously promoting the overseas distribution of self-developed IP content. In 2025, *Crafts and Qubits* released English versions of its motion comic and comic on overseas platforms including YouTube, Webtoon and Instagram, generating more than 150,000 impressions in total. *Seasonal Voice*, meanwhile, accelerated its international expansion through the production and distribution of short dramas and the organisation of cultural exchange forums, further enhancing the IP's global profile.

### Overseas Expansion Achievements of Seasonal Voice in 2025



#### Overseas publication and dissemination of IP content

- The English version of the main IP picture book, *Seasonal Voice*, was published overseas.
- The English version of the short story *Lantern Festival Joy* from the sub-series Lantern Festival Joy was released overseas in collaboration with Singapore's Writers Press and sold in 3 bookstores in Singapore, strengthening the international output of the IP's literary content.



#### Global multilingual release of micro-short dramas

- The overseas version of the *Lantern Festival Joy* micro-short drama was completed and launched from September 2025 on major international platforms such as YouTube and TikTok. Released in 15 languages, including English, French and Vietnamese, it recorded more than 30 million overseas views in total, enabling efficient cross-platform, multilingual dissemination of cultural content.



#### High-level international forums, exhibitions and cultural exchange

- *Lantern Festival Joy* was showcased at the 2025 Frankfurt Book Fair in Germany.
- In Singapore, the Company hosted the Inaugural Ceremony for the Singapore Sub-forum of the Spring Festival Culture Forum & 2025 International Exchange Exhibition for Seasonal Voice IP.
- The Company also participated in co-organising the 2nd Spring Festival Culture Forum and International Academic Conference on Spring Festival Culture and Sustainable Development.



#### Case

#### Shared Horizons: Reimagining Festivals Across Civilizations of KingNet Network

The Company launched a model of collaborative creation between Chinese and international artists, using traditional Chinese festivals as its cultural foundation and inviting 20 artists from 12 different countries to co-create from diverse cultural perspectives. By doing so, it moved beyond a one-way model of cultural export and fostered cross-cultural dialogue grounded in mutual appreciation and shared flourishing. The co-creation outcomes were compiled into the *World Festival Art Calendar 2026* and officially released at the 2nd Spring Festival Culture Forum and International Academic Conference on Spring Festival Culture and Sustainable Development and the Singapore Sub-forum. Through this approach of "bringing people in" to tell China's stories together, the initiative achieved a deeper and more nuanced form of cultural penetration, representing an innovative practice in promoting Chinese culture internationally and encouraging dialogue with civilisations around the world.



**Shared Horizons**  
Reimagining Festivals Across Civilizations  
"天涯此时 岁时共生"——全球艺术共创计划

## Metrics and Targets

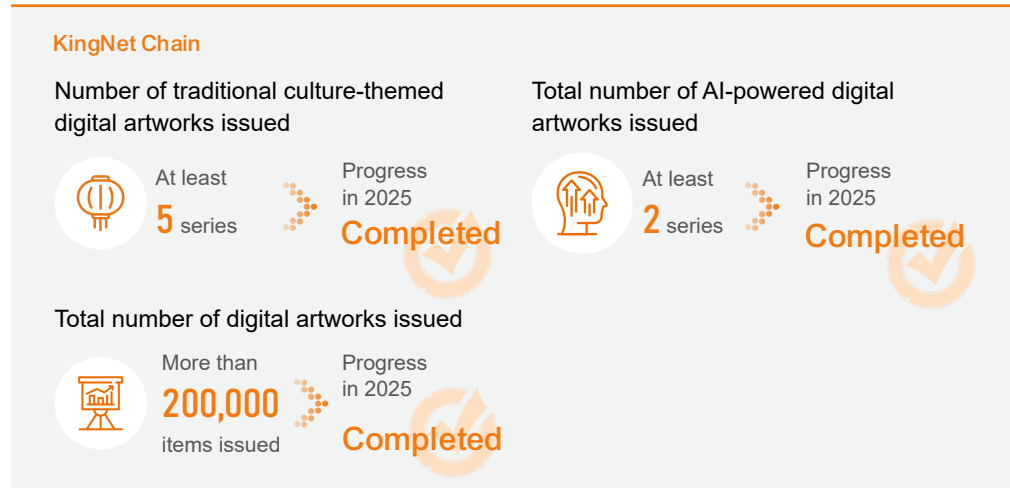
In 2025, we continued to deepen efforts in intangible cultural heritage inheritance and the international dissemination of Chinese culture. Through premium game development, IP operations and cross-sector integration and innovation, we sought to unlock the contemporary value of traditional culture and promote the transition of fine traditional Chinese culture from being revitalised domestically to reaching audiences worldwide.

### Metrics and Targets on Social Functions of Games of KingNet Network

#### Product and IP Development



#### Digital Art Creation



### Recognition Earned by KingNet Network in 2025 for Demonstrating the Social Value of Games

During the reporting period, a number of the Company's self-developed IPs aimed at promoting traditional culture received external recognition:

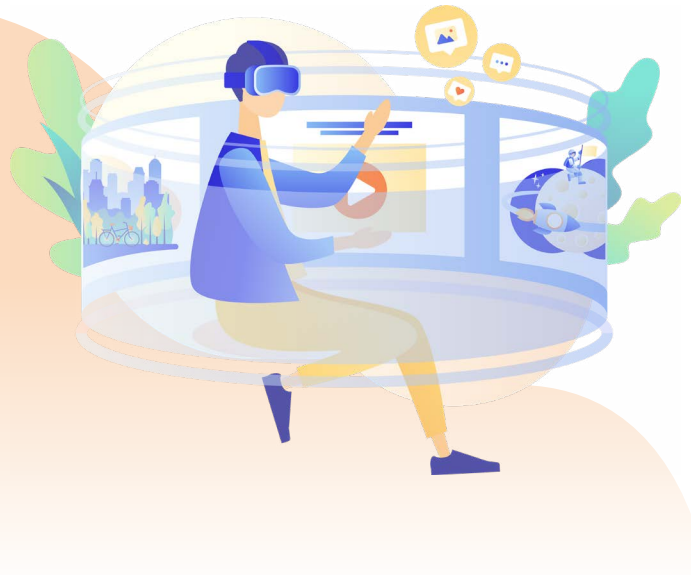


During the reporting period, the Company's efforts in promoting traditional culture and expanding its games overseas also received broad recognition:



# Content Quality Management\*

KingNet Network's content quality management primarily covers two areas: Self-developed content and externally introduced content. The Company has established a well-developed content quality control system to ensure content safety and compliance, while delivering a high-quality gaming experience for players.



## 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 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 Company has established a Publishing Department, responsible for the pre-launch approval application for all game products under the Company, as well as content supervision and review during the operation stage, ensuring that product content is lawful and compliant and contains no improper orientation.

## 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.

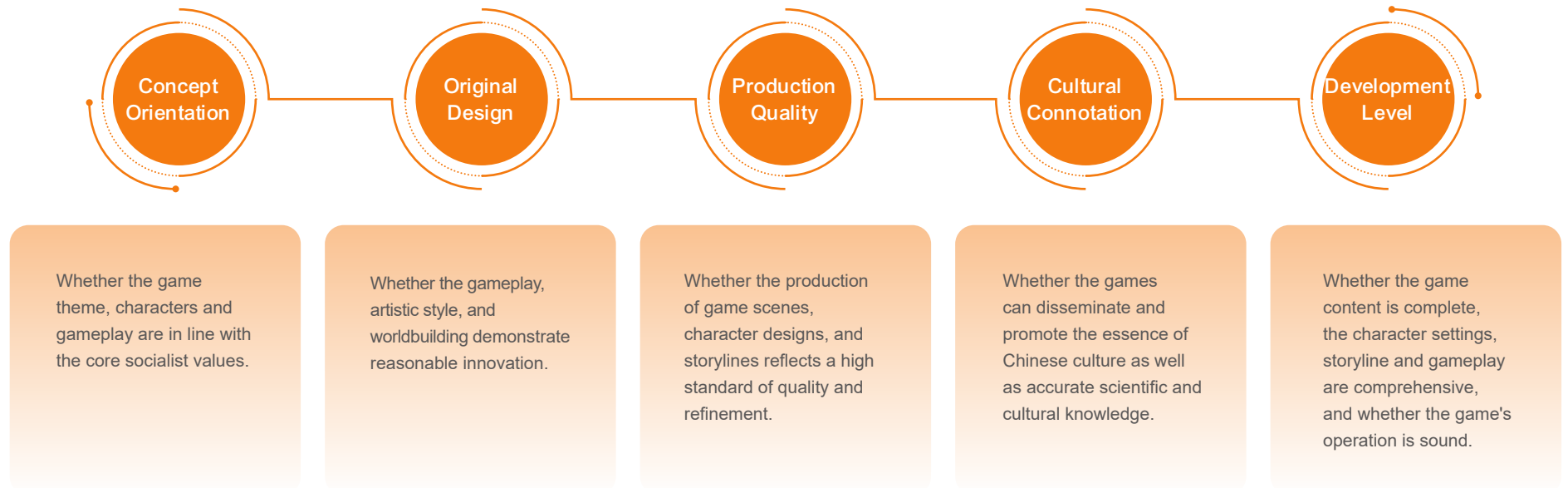
### Risks in Content Quality Management Identified by KingNet Network and Response Strategies

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

## Management of Impacts, Risks and Opportunities

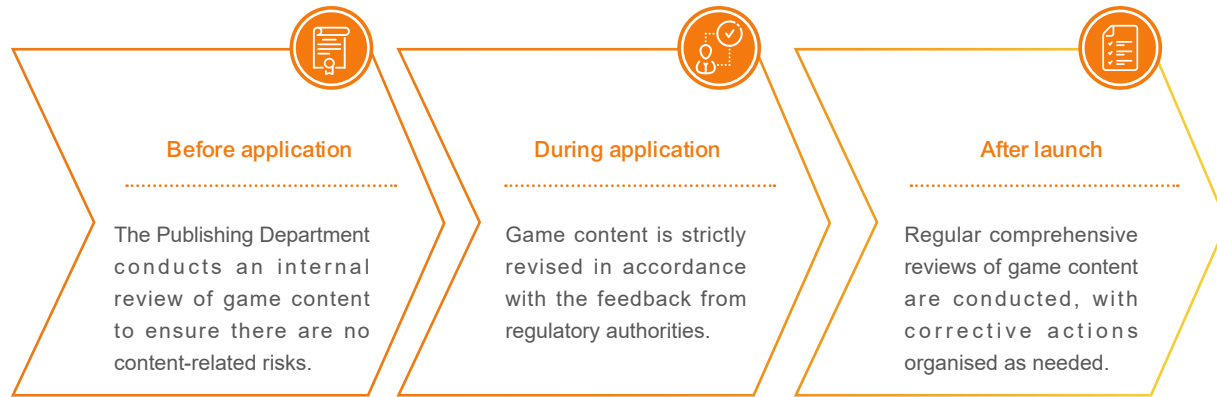
The Company has strengthened its content oversight and delivery by evaluating product content across five dimensions: concept orientation, original design, production quality, cultural connotation, and development level. Through a multi-pronged approach, the Company continually enhances content quality.

### Consideration Dimensions of Product Contents of KingNet Network



In accordance with the requirements of the *Standard Spoken and Written Chinese Language of the People's Republic of China*, the company has strengthened the verification of the Chinese text content of its game products to ensure the standardization and normalization of language and character usage. The main game products under the company have been fully integrated into NetEase Yidun, establishing a dual review mechanism of "intelligent detection + manual review", and also establishing a rapid handling channel to achieve real-time interception and efficient cleaning of all kinds of illegal content, effectively promoting the standardized implementation of the risk prevention and control system. The system can accurately identify and intercept content related to politics, pornography, spam advertisements, sensitive information, and violent and terrorist content, as well as their variant forms. It also efficiently filters and handles illegal audio content. Through the collaborative operation of "24/7 manual review + intelligent system", the overall content review efficiency has increased by more than five times, and the content security governance capability has been comprehensively strengthened.

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.



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 in content quality management. In November 2025, the Company organised all employees in content supervision-related positions to participate in the “2025 Shanghai Online Publishing Management Training” organised by the China Audio-video and Digital Publishing Association and the Publicity Department of the Shanghai Municipal Committee, effectively enhancing their awareness and capabilities in content quality management.

## Metrics and Targets

The Company strictly implements internal and external requirements for game content quality management. In 2025, it achieved zero violations in the launched game content.



Target

**zero**  
violations in  
the launched  
game content

In 2025



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.



The Company has established a multidimensional IP risk assessment system covering content orientation, country of origin and genre characteristics. In terms of content orientation, the Company strictly excludes high-risk content with inappropriate elements such as violence and gore; in terms of country of origin, it suspends the introduction of new Japanese IPs in 2025 and has shifted cooperation focus to regions such as South Korea and France to mitigate geopolitical risks; in terms of genre characteristics, the Company fully explores the overseas expansion potential of traditional Chinese martial arts IPs in regions such as Hong Kong, Macao, and Taiwan, as well as Southeast Asia, where Chinese culture has strong regional resonance, thereby balancing the commercial and social value of its IPs.

# Social Chapter

## User-First, Safe and Trustworthy

Topics Responded:

Customer Service and Complaint Handling\* 54

Data Security and Customer Privacy Protection\* 57

Protection of Minors in Cyberspace 62

Supplier Sustainability Management 63

SDGs Addressed:

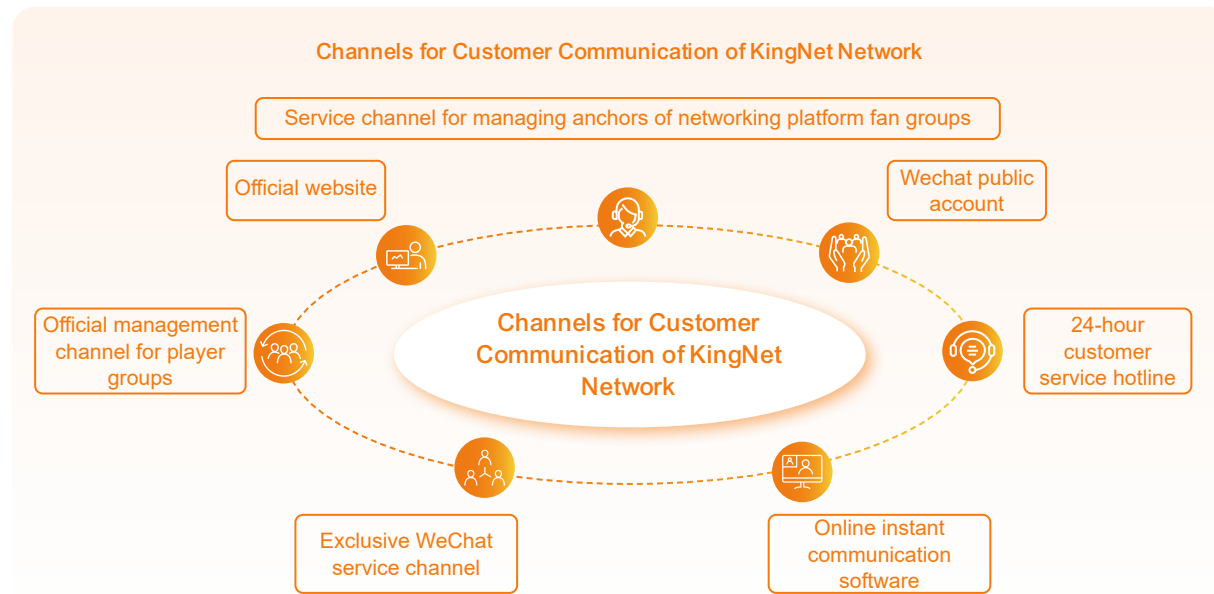


# Customer Service and Complaint Handling\*

## Governance

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, properly resolves user complaints, and maximises the satisfaction of legitimate and reasonable user demands, reducing the risks of user disputes.

In 2025, the Company established a *Game Player Complaint Handling Taskforce* composed of core members from various functional departments to handle key complaint cases, ensuring that such player complaints were resolved within three working days and maintaining smooth communication with the relevant regulatory authorities.



**key complaint**

that such player complaints were resolved within **3** working days

XY Game Platform Customer Service Hotline: 400-993-6669

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

## Strategy

To continuously improve the standardisation and effectiveness of its customer service and complaint handling system and promptly identify and address risks that may affect user experience and brand reputation, the Company has analysed risks related to customer service and complaint handling and formulated targeted management and improvement measures, so as to safeguard user rights and interests, enhance user satisfaction and support the steady development of the business.



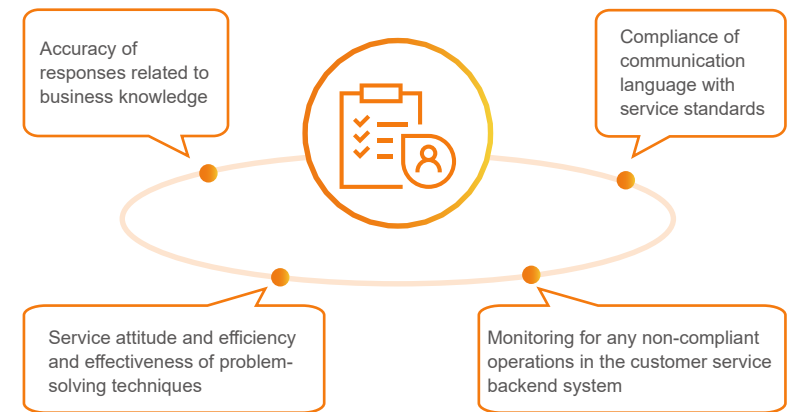
## Management of Impacts, Risks and Opportunities

In 2025, to improve customer service quality, the Company promoted the deployment of AI-powered customer service and gradually explored and piloted its application across various platforms and scenarios. While ensuring that users retain the option to access human customer service, the Company introduced intelligent customer service to handle common gameplay enquiries and process-related issues. It also improved response efficiency and answer accuracy through knowledge-base training and model optimisation. Through AI empowerment, the Company has continuously optimised service experience and improved customer service efficiency and resource allocation.

To deliver better user experiences, the Company's customer service platform strictly adheres to and continuously optimises its service management system. The Company has established stringent quality control (QC) standards to promptly identify and address issues arising during service delivery. In 2025, the QC monthly average sampling rate was 30% of the total daily service volume.

Type of Risk	Timeframe of Impact	Potential Financial Implications	Response Strategy
User attrition risk	Short-, medium-, and long-term	Decrease in revenue	<ul style="list-style-type: none"> <li>Establish a closed-loop customer service management mechanism covering complaint acceptance, issue resolution, feedback and continuous improvement, improving response efficiency and resolution quality.</li> <li>Strengthen customer service quality management and internal supervision mechanisms, continuously optimise service standards and personnel capability development, and enhance overall service professionalism.</li> <li>Establish a regular user follow-up and feedback analysis mechanism, incorporating user opinions into product optimisation and operational improvement processes to continuously enhance user satisfaction and retention.</li> </ul>

### Priorities of Customer Service Quality Control (QC):



Building on its existing customer service platform, the Company continues to optimise the integrated service system that combines user support, user data analysis, user engagement planning, and game content output functions. In 2025, the Company further improved the user follow-up mechanism, continuously increasing coverage. The Company systematically summarised and analysed player follow-up records on a weekly basis and promptly fed relevant comments and issues back to the operations and R&D teams. Based on such feedback, the operations team verified each item and advanced optimisation and improvement accordingly, promoting the effective incorporation of user demands into product operations and feature iteration, and continuously enhancing user experience and service quality.

User Follow-up Performance Data of KingNet Network in 2025



A total of over **456 thousand** user follow-ups were conducted



generating more than **90 thousand** valid items of user feedback and suggestions



with user satisfaction among follow-up users reaching over **91%**



Follow-ups were conducted twice a week, with each round covering an online sample of

**4,749** users



**9,498** users followed up each week



**37,992** each month.

The Company also continuously strengthens interaction and emotional engagement with users through both online and offline activities. In 2025, we organised 6 large-scale offline events and 2 online interactive events, expanding communication channels with players and further enhancing user engagement.

## Metrics and Targets

The Company has established clear targets for customer service and complaint handling and built standardised mechanisms for complaint acceptance, investigation, feedback and improvement. It regularly conducts user follow-ups to track handling effectiveness and satisfaction. This ensures timely response and proper resolution of all complaints, continuously enhancing service quality and user experience.

### Efficiency of customer complaint handling



Target

**100%** resolved within three working days

Progress in 2025

**100%**

### Satisfaction rate of followed-up users



Target

Above **90%**

Progress in 2025

**91%**

# Data Security and Customer Privacy Protection\*

## 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 policies, including the *Basic System for Data 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.

### KingNet Network Governance Structure of Data Security and Customer Privacy Protection



## Strategy

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

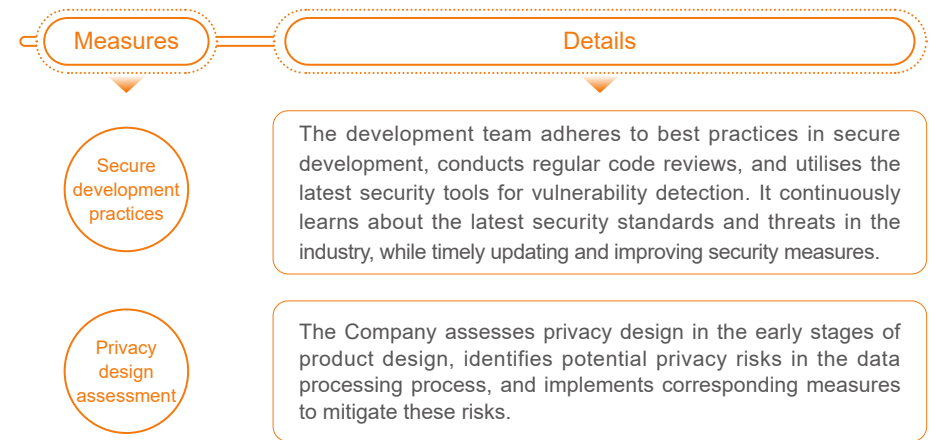
### Risks in Data Security and Customer Privacy Protection Identified by KingNet Network and Response Strategies

Type of Risk	Timeframe of Impact	Potential Financial Implications	Response Strategy
Information security risk	Short-, medium-, and long-term	Increase in compliance costs	<ul style="list-style-type: none"> <li>Strengthen data security protection across all stages of product development and game operations.</li> </ul>
Reputational risk			<ul style="list-style-type: none"> <li>Enhance information security defence strategies by deploying differentiated equipment and contingency plans for various scenarios.</li> </ul>

## Management of Impacts, Risks and Opportunities

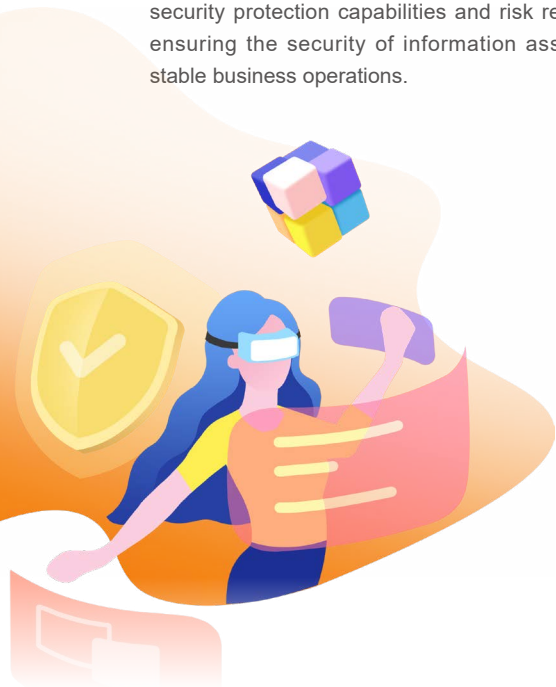
During the game development process, the Company follows the principles of secure development, assesses privacy design, and enhances data security throughout the product development process.

### Data Security Protection Measures in Product Development of KingNet Network



## Data Security

The Company attaches great importance to information security and data protection. By focusing on system development, technical safeguards, business continuity assurance, incident response and employee awareness, the Company has established a full-process security management system covering “prevention–monitoring–response–improvement”. Through the combined application of institutional frameworks and technical measures, the Company continuously enhances its data security protection capabilities and risk response, ensuring the security of information assets and stable business operations.



## Data Security Protection Measures of KingNet Network

Aspect	Measures
Management System and Institutional Development	<ul style="list-style-type: none"> <li>• <b>Strengthen information classification and grading management:</b> Stored data is categorised into personal and non-personal information, with high-standard encryption applied to personal data during storage and transmission. Strict access controls and full-process audit mechanisms are implemented for all categories of data to ensure traceability of access activities.</li> <li>• <b>Obtain information security system certifications:</b> The Company has obtained multiple certifications, including classified protection assessments, communications security assessments, and data security risk assessments. These certifications cover all Company data.</li> <li>• <b>Obtain the data governance system certification:</b> The Company has obtained ISO/IEC 38505-1:2017 Governance of data systems certification.</li> </ul>
Technical security and business continuity assurance	<ul style="list-style-type: none"> <li>• <b>Strengthen vulnerability management and threat monitoring mechanisms:</b> The Company has established regular vulnerability management and threat monitoring mechanisms, adopting a strategy combining periodic scanning with real-time monitoring. Full security scans are conducted on information systems every week, while real-time monitoring is carried out for server hosts to identify security risks promptly. The Company also connects to external professional threat intelligence systems to dynamically obtain global attack patterns and security intelligence, and continuously carries out threat assessments to enhance early warning and defence capabilities against emerging cyberattacks.</li> <li>• <b>Adopt multi-location real-time backup strategies:</b> Relying on cloud-based distributed storage technology, the Company has built a highly reliable off-site disaster recovery system. All business operations have been fully migrated to the cloud to ensure data integrity, as well as the timeliness and continuity of business operations, in the event of unexpected incidents.</li> </ul>
Emergency Response and Handling of Data Leakage Incidents	<ul style="list-style-type: none"> <li>• <b>Proactive Measures:</b> The company regularly conducts safety assessments, vulnerability checks and optimization of protection measures, continuously strengthening the security guarantee capabilities of its information systems, even though no data leakage has occurred.</li> <li>• <b>Reactive Measures:</b> Develop and dynamically update emergency response plans. In accordance with the <i>Management System for Information Security Incidents and Emergency Response</i>, the Company defines processes for incident reporting, graded response, evidence preservation, investigation, auditing and corrective actions to ensure timely response and effective risk control.</li> <li>• <b>Establish a 24/7 monitoring and response mechanism:</b> The Company has implemented round-the-clock monitoring and employee reporting mechanisms. Upon detection of anomalies, graded response procedures are initiated, prioritising business recovery and forming a closed-loop management system through independent audits.</li> </ul>
Enhancement of data security awareness	<ul style="list-style-type: none"> <li>• <b>Employee data security awareness training:</b> All new hires are required to undergo data security awareness training covering personal information protection, social engineering, laws and regulations, and other related topics. The Company organises at least one form of data security training for employees each year. It also assesses employees' data security awareness from time to time through spot checks and other means, so as to ensure the effective implementation of relevant requirements.</li> </ul>

The Company attaches importance to information security management for suppliers. It has established a data security management system for business partners and carries out strict qualification reviews and information security due diligence on its information technology-related suppliers, with a particular focus on assessing their technical capabilities, personnel management, equipment support and compliance performance. The Company incorporates data security into information technology-related suppliers onboarding and ongoing management processes, requiring suppliers to provide certification materials such as classified protection of cybersecurity assessment reports and ISO 27001 certification, and evaluates their security management and response capabilities by reviewing vulnerability scanning reports and historical remediation records.

In addition, the Company conducts regular security audits of its information systems, including more than four external independent information security audits each year, covering classified protection of cybersecurity assessments, communications protection assessments, data security risk assessments and annual audits for listed companies.

### Privacy Protection

In accordance with relevant laws and regulations, the Company has formulated a public and transparent *Privacy Agreement* covering all of its business operations, setting out for users their relevant rights as well as the rules governing the collection, use, storage and sharing of data. The Company has also adopted a range of protective measures to prevent the leakage, loss or unauthorised access to users' personal information.

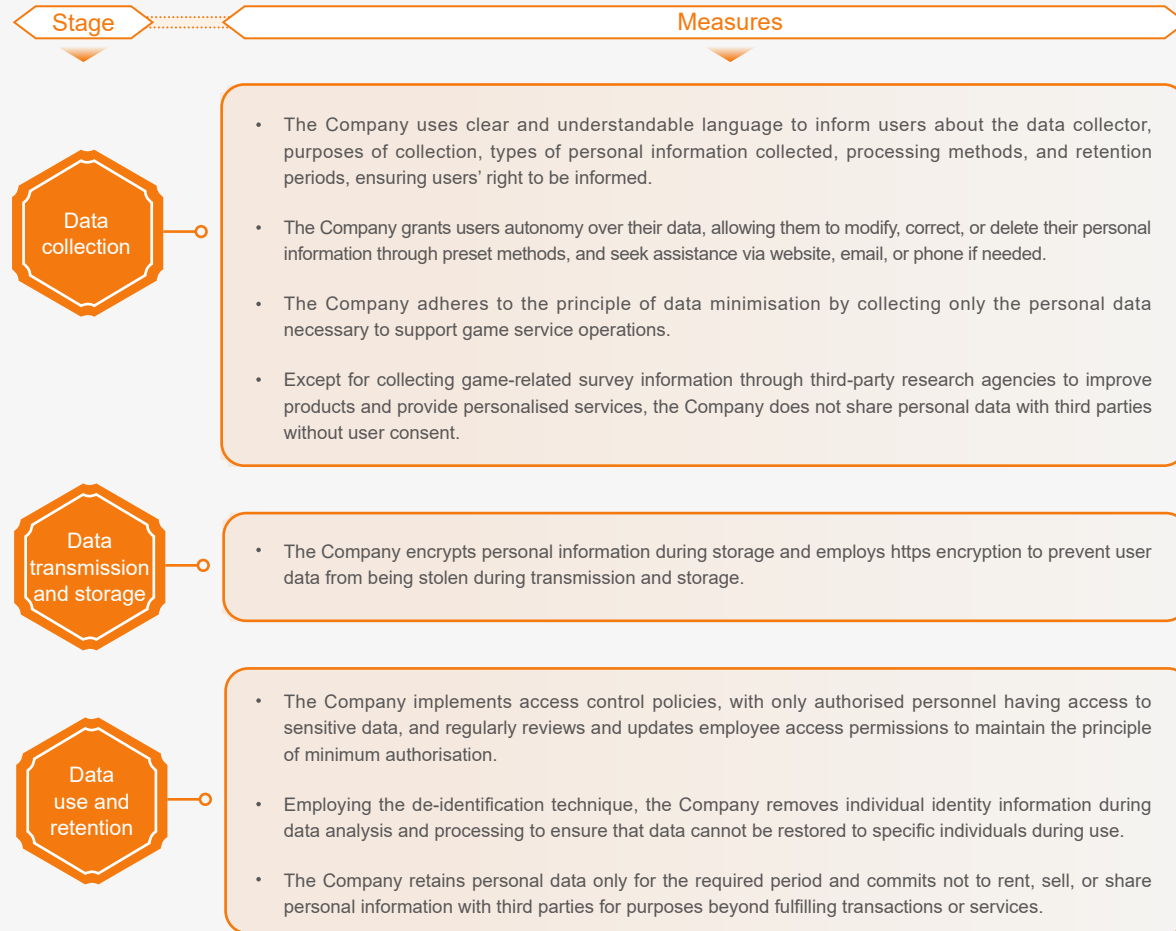
In addition, the Company actively implements the requirements of the *Measures for Personal Information Audit* issued by the Office of the Central Cyberspace Affairs Commission, incorporating personal information compliance audits into its audit plans, reporting relevant information as required, and establishing a regular audit mechanism combining institutional and technical safeguards.



### ISO/IEC 38505-1:2017 Governance of Data Systems Certification



### User Privacy Protection Measures of KingNet Network



## Metrics and Targets

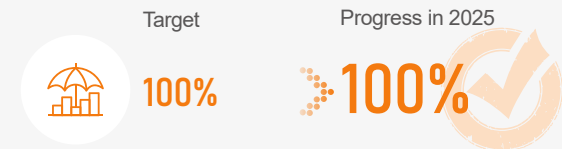
In 2025, the Company achieved the goal of “Zero data breach incident” and effectively protecting data security and user privacy.

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

#### Number of Data Breach Incidents



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



# 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. During IP introduction and game design stages, minors are expressly not identified as the target audience, thereby reducing the risk of gaming addiction among minors at the source. 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

Action	Details
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 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.

### Case

### KingNet Network Juvenile Legal Protection Station Officially Launched in Yunnan

In 2025, KingNet Network held unveiling ceremonies for its Juvenile Legal Protection Station at three schools in Longling County, Baoshan City, Yunnan Province, namely Xiaotianba Primary School in Zhen'an Town, Dashuigou Primary School in Zhen'an Town, and Changjing Primary School in Lameng Town, marking the official implementation of the programme in Yunnan.

The programme was jointly initiated in 2024 by the Company and Grandall Law Firm (Shanghai), focusing on systematic support for minors' legal education and rights protection. As of the end of the reporting period, the programme had delivered over 2,000 minutes of online legal education courses for minors, benefiting more than 900 teachers and students. Going forward, we will continue to strengthen minors' legal awareness and self-protection capabilities through legal aid and educational programmes, building a solid safeguard for their healthy development.



Unveiling Ceremony

# 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 are aimed at regulating key stages including supplier onboarding, relationship management, evaluation and exit, thereby building a systematic management mechanism covering the entire supplier lifecycle.

In 2025, the Company introduced a digital procurement management system to improve the transparency of procurement processes and the standardisation of management, while strengthening its capabilities for dynamic monitoring and data-driven management across all stages of the supplier lifecycle.

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.

## Supplier Lifecycle Management of KingNet Network

Stage	Details
Admission	Before engaging suppliers, the Company conducts background checks on them, including qualification audits and on-site inspections, to ensure that their capabilities meet procurement needs, while also examining their performance in environmental and social responsibilities.
Relationship Management	The Company employs differentiated supplier management and takes measures such as interviews and hierarchical management to incentivise and guide some key suppliers.  Supplier training is delivered through various forms, including on-site supplier visits and pre-tender meetings. In 2025, more than 40 suppliers received training.
Assessment	The Company has established a regular supplier performance assessment mechanism, incorporating ESG-related factors into assessment criteria. In 2025, supplier performance assessments were conducted, and rectification notices were issued to four suppliers based on the results, driving corrective actions and continuous improvement.
Exit	If a supplier violates business ethics or if the Company suffers significant losses due to the supplier's inability to fulfil its supply obligations, the Company will immediately terminate the cooperation with that supplier.

**In 2025**



all **51** 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. The Company has established an efficient supplier risk management system covering procurement plan management, process control and performance management. It also enhances supplier stability and risk resilience by signing framework agreements, maintaining appropriate inventory and diversifying supplier resources.

The Company has established a supplier data security management mechanism, formulated policies such as the *Project Outsourcing Management Regulations*, and signed confidentiality agreements with suppliers to clarify the respective responsibilities and obligations of both parties in relation to data protection, thereby working together with suppliers to build a secure and reliable data management ecosystem.

In 2025



all **51** 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.

The Company attaches great importance to the lawful rights and interests of suppliers, and strictly implements payment schedules in accordance with contractual terms and its internal payment management policies, so as to ensure timely and full payment. The Company continues to optimise its accounts payable management processes, strengthen controls over reconciliation and payment milestones, prevent overdue payment risks, and maintain fair, impartial and stable cooperative relationships, thereby supporting the healthy development of SMEs and fostering a sound and healthy industry ecosystem.

# Social Chapter

## Talent Development and Value Sharing

Topics Responded:

Employment and Protection of Employees' Rights and Interests 66

Human Capital Development\* 70

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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 employees.

## Employee Recruitment and Employment

The Company primarily employs full-time employees under labor contracts.

Abiding by applicable laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and relevant labour regulations of the Hong Kong Special Administrative Region, the Company strictly prohibits child labour and forced labour, ensuring lawful and compliant employment. In 2025, the Company didn't experience labour violations.

The Company is committed to fair recruitment, providing equal employment opportunities to all job applicants. In 2025, we recruited a total of 624 individuals through online recruitment, recruitment of foreign personnel, outsourcing personnel, 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 2,248 employees.

### Talent Recruitment Strategy of KingNet Network



To bridge the gap between planned recruitment headcount and actual talent demand, the Company has continuously strengthened annual headcount management. Each department submits annual staffing plans and quarterly demand forecasts, and the Human Resources Centre conducted recruitment forecasting and formulated recruitment plans to enhance efficiency and effectiveness based on these submissions and business development needs.

In 2025, the Company optimised and improved the background inspection process for prospective employees, and formulated *the Rules for Handling Abnormal Background Checks of Candidates*, categorising risk types and levels and applying differentiated approval procedures and HR actions accordingly to further mitigate recruitment risks and ensure talent quality.

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. We maintained partnerships with Shanghai University, East China Normal University, Donghua University and Shanghai Normal University, and newly established cooperation with East China University of Political Science and Law for summer internships, engaging in in-depth collaboration in areas such as talent recommendation, internships and employment, background checks, and user research. In 2025, the Company held five on-campus dual-selection job fairs for graduates and interns at partner universities, with a conversion rate of 12%, and participated in one social dual-selection job fair, with a conversion rate of 9%.

### Industry–Academia Collaboration Initiatives of KingNet Network in 2025

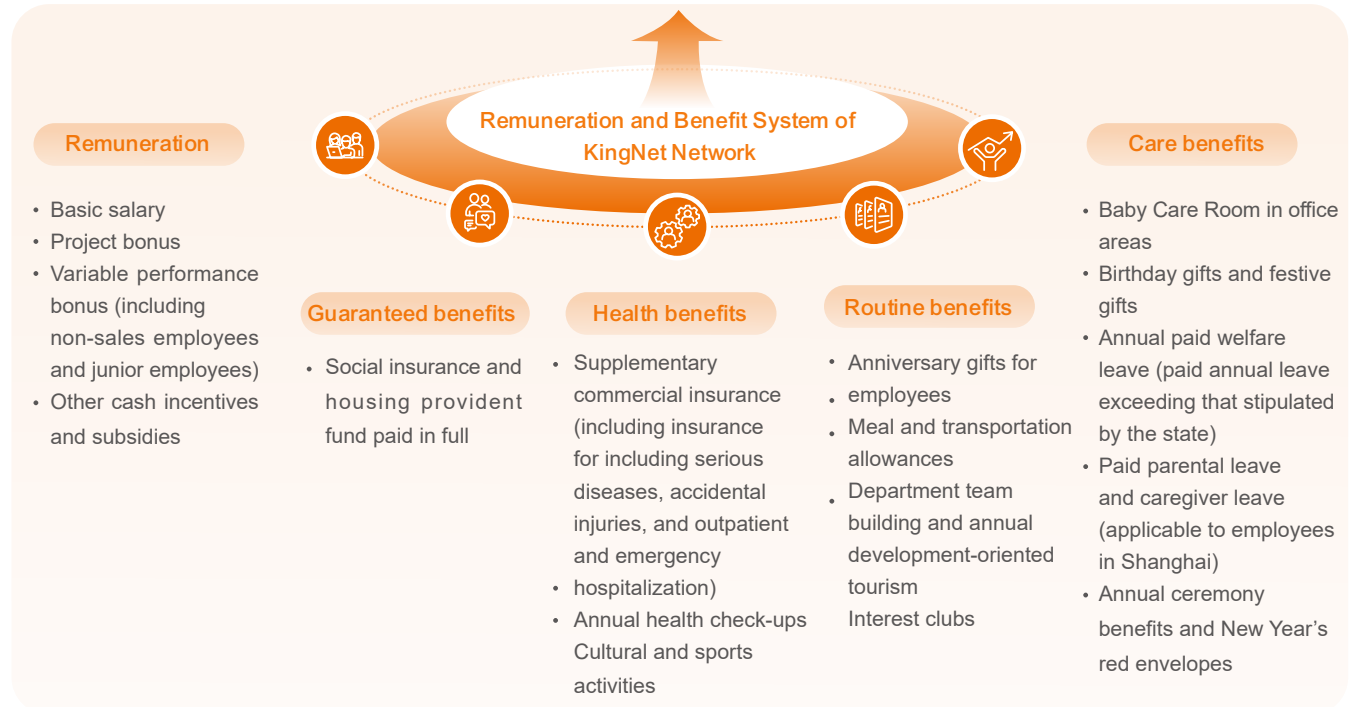
Action	Details
Joint internship base	Partner universities regularly recommend outstanding student resources to the Company, and the Company in turn offers internship opportunities to university students.
User research collaboration	Students from partner universities are invited to participate in user research and testing projects for new game releases, enabling the collection of precise user insight data.
Community promotion	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.
Background checks	Connections are established with university faculty members to verify the academic performance and teamwork of student interns, ensuring the authenticity of the information provided.
Live-streaming base	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.

## Protection of Employees' Rights and Interests

The Company has formulated regulations such as *the Remuneration Management Measures, the Outsourced Personnel Management Measures, the Employee Behaviour Management Measures and the Employee Anniversary Gift Management Measures*. In 2025, the Company revised the *Attendance Management Policy* by adding provisions on caregiver leave eligibility and application procedures to support balance between life and work. We also revised the Employee Club Support Plan to clarify funding support mechanisms and operational standards, enhancing the quality and sustainability of employee activities and enriching corporate culture.

The Company protects the legitimate rights and interests of employees, pays their wages on time, and has established a remuneration system that balances market competitiveness and internal fairness. We implement equal pay for equal work regardless of gender, and provide remuneration aligned with job value, individual capability and performance contribution.

The Company makes full and timely contributions to social insurance and housing provident funds for employees under labor contracts in accordance with applicable laws and regulations. In addition to statutory benefits, a range of non-statutory benefits is provided to all such employees, including meal allowances, transportation allowances, annual medical examinations, supplementary commercial insurance, and festive benefits.



The Company complies with national working hour regulations and safeguards employees' rights to rest and leave. We implement a flexible working system, allowing staff to adjust working hours on working days to achieve a dynamic work-life balance. For positions suitable for remote collaboration, we offer work-from-home options. Where overtime is required, we set limits on overtime hours to protect employees' physical and mental well-being.

We respect and embrace diversity, creating an inclusive and friendly workplace. We maintain a zero-tolerance policy towards any form of discrimination or harassment. *The Employee Behaviour Management Measures* clearly defines reporting and complaint procedures, and individuals engaging in harassment (including but not limited to pranks, workplace bullying, inappropriate conduct or sexual harassment) are subject to termination of employment, thereby ensuring a fair and clean workplace.

The Company places great emphasis on employees' physical and mental well-being 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 2025, the Company adopted various measures to safeguard employee health and well-being.

### 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 regular "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 well-being and enhancing quality of life and work.
- Provided employees with free psychological counselling support.
- Provided employees with a range of recreational facilities and regularly organised diverse cultural and sports activities.

#### Case

#### Sports and Health Seminar

The Company places great importance on occupational health and sports safety management, introducing professional medical resources to enhance employees' health literacy. On 25 April 2025, we held a themed seminar titled Exercise and Fitness: Balancing Benefits and Risks, delivered by an associate chief physician from Huashan Hospital Affiliated to Fudan University. The seminar systematically introduced scientific exercise principles and injury prevention knowledge, effectively strengthening employees' health awareness and risk prevention capabilities.



Training Scene

#### Case

#### Support for Employee Club Activities

The Company adheres to a people-oriented development philosophy and systematically supports the establishment of employee interest clubs to enrich employees' cultural life, alleviating their work pressure and enhancing their physical fitness.

In 2025, we operated 8 clubs across Shanghai headquarters and Guangzhou Branch, covering activities such as badminton, dance, swimming, billiards, mobile gaming, board games and film. Over 220 events were organised throughout the year, attracting more than 2,000 participants, generating strong engagement and effectively enhancing team cohesion and organisational belonging.



Club Activity Highlights

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.

In accordance with the requirements of the latest *Company Law of the People's Republic of China*, the Company has added an employee representative Director to the Board. In June 2025, we convened an employee representative congress to elect the employee representative Director for the fifth Board, effectively facilitating employee participation in democratic decision-making, management and supervision, and better safeguarding employees' legitimate rights and interests.

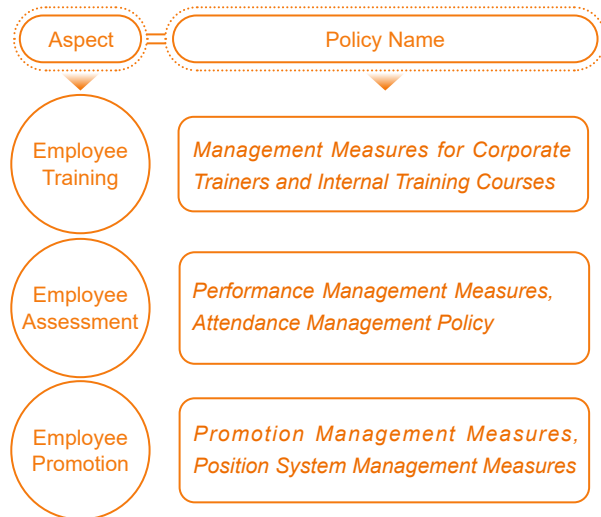
# Human Capital Development\*

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 coordinating all human resources-related management work. A training and culture department was established under the human resources department to serve as the management department for the company's training activities. 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. A comprehensive training system and well-designed incentive mechanisms help improve employee engagement and efficiency, enabling employees to fully realise their potential and creativity. Conversely, inadequate human capital management may lead to insufficient skills, talent loss and reduced efficiency, increasing recruitment and training costs and raising overall operational costs. The Company identifies, assesses, and analyses the risks and opportunities associated with human capital development to better address the risk of core talent loss and seize development opportunities.

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
Risks	Loss of core talent	Short-, medium-, and long-term	Decrease in revenue Increased operating costs	<ul style="list-style-type: none"> <li>Formulate a talent development strategy</li> <li>Establish a talent pool for future staffing needs</li> <li>Enhance communication and care for employees at risk of departure</li> </ul>
Opportunities	Enhanced innovation capability	Short-, medium-, and long-term	Increased revenue Reduced operating costs	<ul style="list-style-type: none"> <li>Conduct strategic recruitment</li> <li>Improve the training system</li> <li>Optimise employee incentive mechanisms</li> </ul>

# 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.

In 2025, the Company optimised and upgraded the training system by enriching and diversifying training content, aligning it more closely with employee needs and business realities, and enhancing its relevance and practicality to better support employee growth and business development.

### Key Measures for Optimising KingNet Network’s Training System in 2025

#### 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, data organisation, project generation
Basic work	Training operation
	Training assistance, course development, learning analysis, etc.
Culture division	Anniversary ceremony activities
	KingNeter Annual Journal
	Club operation
	Events, competitions, funding support, problem settlement, etc.

Measure	Details
Introducing extensive knowledge resources	To enrich employees' knowledge base, the Company selected courses based on actual needs and releases more than 3,000 courses to the learning platform for self-directed learning and development.
In-house development of training content	Core courses of training programmes were designed and developed by dedicated trainers based on real workplace scenarios faced by employees, reducing reliance on external providers while effectively addressing business-specific challenges and ensuring alignment with operational needs.
Empowering regional branches across locations	All training content was published transparently through the Company's training calendar. Business departments can nominate participants based on their needs, and courses were delivered across regions to ensure efficient resource sharing and flexible coverage.
Closer integration with AI	The Company recognises the significant value and potential of AI and has implemented dedicated AI training programmes to drive technological upgrades and innovative applications. We also utilise AI-powered course development tools to reduce the threshold and cost of internal training content production, thereby improving the efficiency and quality of course development.

We have established structured onboarding and mentoring programmes for university graduates and new employees. In addition to induction training and professional development, new employees are assigned dedicated mentors and provided with personalised learning plans to help them quickly adapt to their roles and integrate into teams.

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 2025

Programme Name	Nature of Programme	Details	Results
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, Becoming an Interviewer emphasises that managers must maintain fairness and impartiality during interviews.	The programme ran for a total duration of three months. A total of 31 employees participated in the programme, with 7 training courses delivered over 11.5 hours, and a total of 173 attendances recorded.
PPT design and improvement	Targeted business training	This programme aims to enhance employees' visual communication skills in work reporting, project presentations and external communication. It systematically covers presentation structure, visual layout, colour techniques and efficient tool usage, enabling employees to create professional, concise and impactful presentations.	A total of two sessions were delivered, with a training duration of three hours and 11 participants.
2026 China TTT Learning Technology Innovation Conference	External training	In the context of digital transformation, the Company organised training personnel to attend the 2026 China TTT Learning Technology Innovation Conference. Through thematic forums and industry exchanges, participants gained insights into the application trends of AI and other emerging technologies in learning and talent development.	Attended an out-of-town training session for a total of 4 hours.
Marketing capability enhancement	Digital transformation training	In response to the need for enhanced marketing capabilities among certain business teams, the Company curated relevant courses via the online learning platform and developed structured learning packages. Employees were encouraged to utilise fragmented time for online learning, with progress and completion tracked through the platform.	A total of 11 courses were included, with 12 employees participating and a total learning duration of 2.16 hours.
New employee training	New talent development	As an integral part of the Company's talent development system, new employee training aims to help new hires systematically understand corporate culture, organisational structure and business processes, thereby accelerating their integration into teams and enhancing their job readiness.	Six online training sessions were conducted, with 245 employees assigned online learning plans; ten offline sessions were held, with a total of 148 participants and an average satisfaction score of 4.98. (Out of 5 points)
Professional skills enhancement	External training	Focusing on areas such as human resource management capabilities and AI-enabled business practices, the Company organised employees to participate in external training and industry exchange activities, including professional forums and AI application training, to continuously enhance professional competencies and innovation awareness.	A total of 5 external training sessions were attended, with 6 participations and a cumulative duration of 53 hours.



Group Photo of M Plan Training



Training Scene of Becoming an Interviewer

## Employee Assessment

The Company has established a systematic performance assessment system aimed at building a more scientific talent development ecosystem and fulfilling our responsibility for employees' long-term growth. Performance assessments are conducted on a quarterly basis for all employees, forming a closed-loop process of "performance plan development – performance plan review – performance self-assessment – performance assessment – performance approval – performance communication".

### Key Elements of Performance Assessment 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.

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. The Company requires that personnel involved in appeal investigations maintain confidentiality regarding case details and involved parties. Any violation of confidentiality requirements will be subject to disciplinary action, and retaliation against employees who file appeals is strictly prohibited.

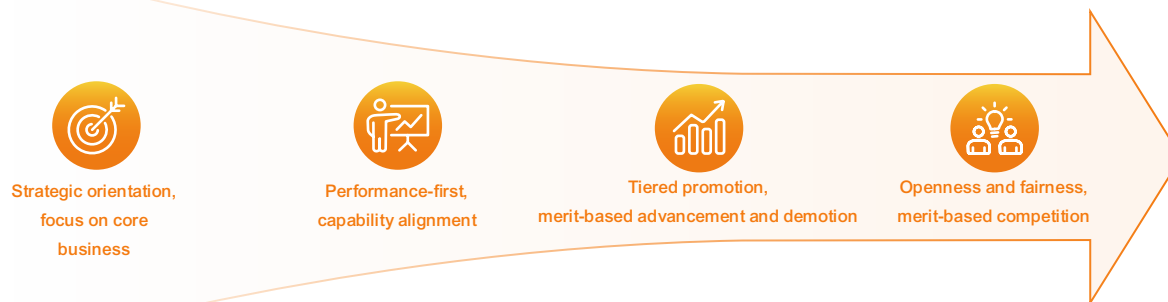
### Performance Appeal Process of KingNet Network



### Employee Promotion

Valuing the personal development of its employees, the Company provides employees with fair and equitable promotion opportunities and diverse career development paths. The Company's promotion system is based on performance, competence and potential, with professional and managerial tracks established to provide development opportunities for employees with different expertise and career orientations.

### Basic Principles of Employee Promotion at KingNet Network



In 2025, the Company updated the Promotion Management Measures by revising promotion principles, cycles, criteria and processes, thereby establishing a clear, transparent and predictable career development pathway and providing policy support for employees' long-term career growth.

### Key Directions of Upgrade of the Promotion System of KingNet Network in 2025



#### Clear standards

Further clarified the promotion criteria to make career development paths more transparent.



#### Diverse evaluation

Enriched the evaluation methods to comprehensively assess employees' contributions and potential.



#### Forward-looking planning

Identified current gaps and established talent pipelines for key positions, enabling early planning and providing stronger promotion support for prepared and capable employees.

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

#### Merit-based Nomination



- Department heads check team members and select employees who meet the promotion nomination criteria and are suitable for the corresponding job level.
- The Human Resources Centre reviews and approves the nomination suggestions from each department based on unified standards and determines the promotion candidates.

#### Review and Inspect

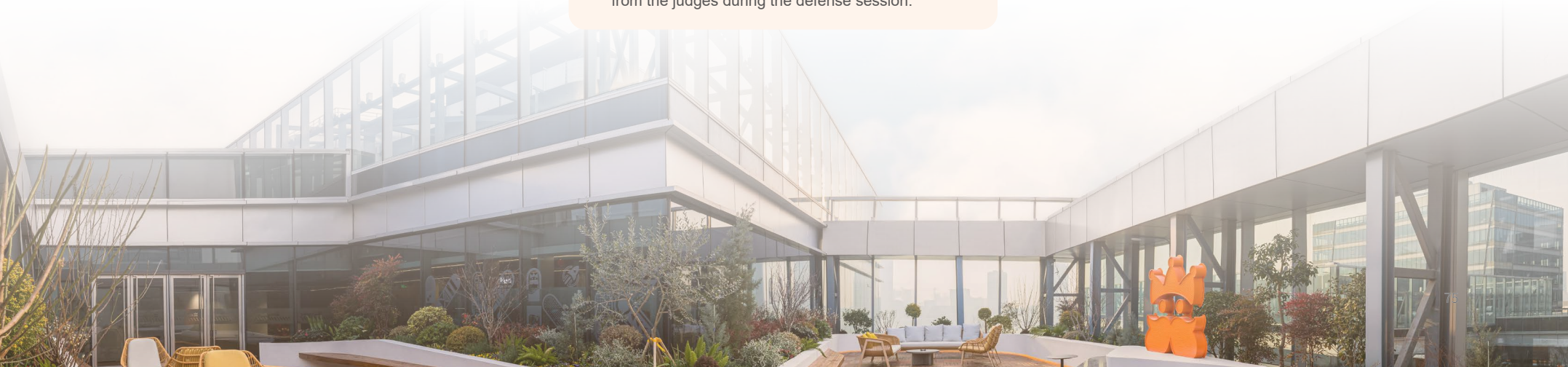


- The Human Resources Centre leads department heads and internal experts in various professional fields to establish a promotion review team.
- The promotion review team uniformly reviews and inspects the promotion candidates based on the Job Qualification Standards, and the review opinion serve as an important reference for the promotion decisions.
- Each promotion candidate presents his/her achievements over the past year through a work report, demonstrates his/her professional abilities and professional competence, and responds to questions from the judges during the defense session.

#### Promotion Decision



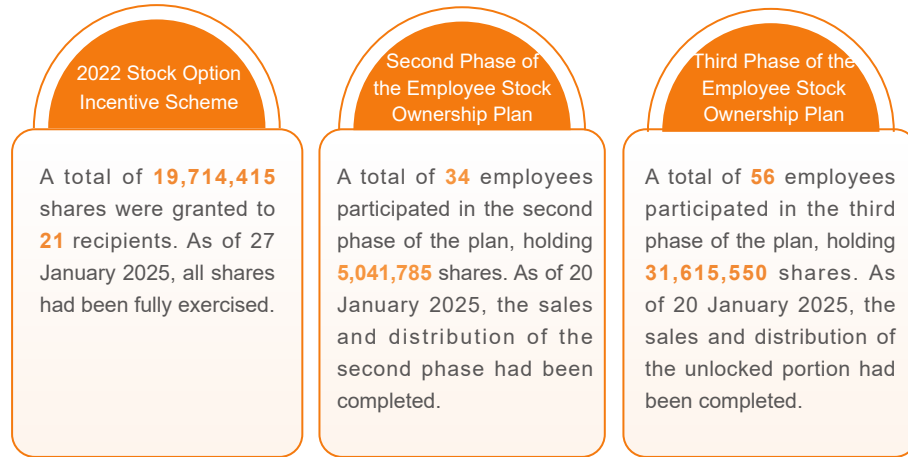
- The Human Resources Centre summarises the review and assessment opinions and submits them to the management level for decision-making.



## Talent Attraction and Retention

To attract and retain core talent, since 2022, the Company has launched three phases of stock option incentive schemes, aligning shareholder interests, corporate development and employee value, and establishing a shared-interest and risk-sharing mechanism that effectively stabilises core teams and strengthens the talent foundation for long-term development.

### Implementation of Stock Option Incentive Schemes of KingNet Network









The Company has established the Reward System for Service Inventions and Technological Innovation Projects, providing cash rewards to employees who successfully obtain patents. In 2025, in accordance with relevant policies and actual application conditions, the Company granted special bonuses to a total of 17 employees, amounting to RMB 48 thousand, demonstrating our recognition of innovative talent and enhancing the innovation motivation of core technical employees.

Through strategic recruitment and the establishment of talent pools, the Company has continuously strengthened the talent pipeline to enhance organisational resilience. Talent management will be continuously refined to better meet the Company's strategic development needs.

## Metrics and Targets

With the goal of "strengthening cohesion among KingNet employees", the Company has established human capital development metrics and targets. Anchored in business needs, we continuously enhanced the relevance and practicality of employee training, comprehensively enhanced employee competencies, and built a vibrant, creative, and competitive team.

### Metrics and Targets on Human Capital Development of KingNet Network in 2025

Indicator	Targets	Progress in 2025
 <b>Coverage of employees in training</b>	100%	100%  Completed
 <b>Average training hours per employee</b>	12hours	15.23 hours  Completed
 <b>Number of labour rights violations</b>	0	0  Completed

## 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

Actively responding to the Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Improving *the Modern Enterprise System with Chinese Characteristics*, the Company has integrated corporate social responsibility into all aspects of operations, contributing to green development, rural revitalisation, public welfare and cultural inheritance.

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 Chief Executive Officer, the Company has appointed a Chief Sustainability Officer and established a Social Responsibility Team within the Board Office to coordinate, advance, and implement social responsibility-related initiatives.

In 2025, based on the Volunteer Management System of KingNet Network, the Company formulated four new internal policies, including *the Constitution of KingNet Network Volunteer Association*, *the Volunteer Record Management Regulations of KingNet Network Volunteer Association*, *the Volunteer Training Regulations of KingNet Network Volunteer Association*, and *the Volunteer Registration System of KingNet Network Volunteer Association*. The Company also introduced an official real-name volunteer registration system, promoting the systematisation, standardisation and professionalisation of volunteer services.

In 2025, the Company upgraded its volunteer brand and launched the new name "Liuying", establishing an ethnic minority volunteer service team in addition to the existing teams in Shanghai, Hangzhou and Guangzhou. Going forward, the Company will further unite employees with clearer direction, engage in public welfare and convey corporate warmth.

The pomegranate symbolises ethnic unity and coexistence, while the "firefly" represents the subtle yet illuminating spirit of volunteers.

The name "Liuying" (homophonous with "retaining images" in Chinese) symbolises preserving the spirit of mutual assistance among ethnic groups through digital technologies, reflecting the Company's internet DNA and emphasising the importance of recording and inheriting this spirit in the digital era.



Brand VI Identity and Symbolism of the "Liu Ying"

## 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 revitalisation. Going forward, the Company will further unite employees with clearer direction, engage in public welfare and convey corporate warmth.

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

Type of Risk/ Opportunity	Timeframe of Impact	Potential Financial Impact	Response Strategy
Resource dispersion and mismatch	Short- and medium term	Increased operating costs	<ul style="list-style-type: none"> <li>Completely integrate with the main business to carry out public welfare and charity activities, improving resource utilization efficiency.</li> </ul>
Enhancing brand value	Medium- and long-term	Reduced operating costs	<ul style="list-style-type: none"> <li>Innovative development model of Games + Public Welfare.</li> </ul>
Strengthening organizational cohesion	Medium- and long-term		<ul style="list-style-type: none"> <li>Organise diversified public welfare and charitable activities.</li> <li>Support high-quality development in ethnic minority regions.</li> </ul>
Accessing collaborative resources	Short-term		<ul style="list-style-type: none"> <li>Establish an emergency response and disaster relief mechanism.</li> </ul>

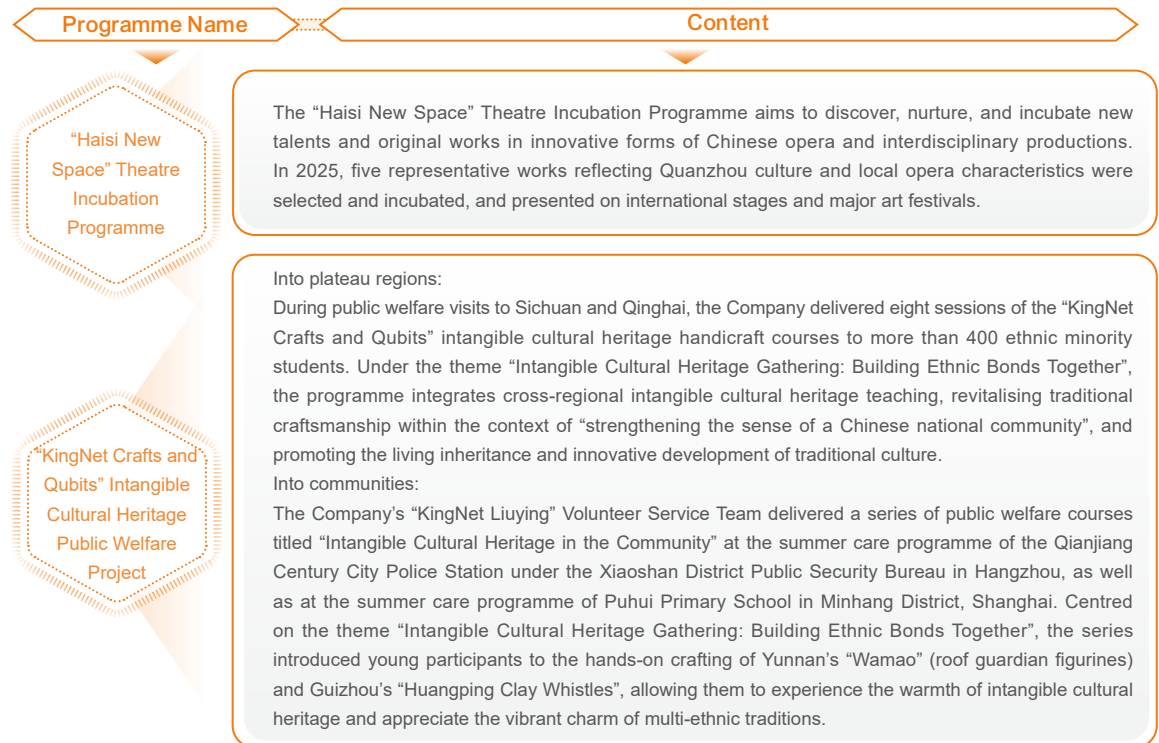
## Management of Impacts, Risks and Opportunities

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.

### Public Welfare and Charity

The Company has long been committed to public welfare and charitable activities, providing sustained support for the protection and inheritance of traditional opera and intangible cultural heritage, fulfilling our corporate social responsibility and contributing to sustainable social development.

### Overview of Public Welfare Projects of KingNet Network in 2025



## Rural revitalisation

The Company actively responds to the call to “promote comprehensive rural revitalisation” by focusing on areas such as care for girls, educational empowerment and livelihood support, providing rural children with a better growth environment and injecting momentum into the sustainable development of rural areas.

### Key Rural Revitalisation Empowerment Projects of KingNet Network in 2025

Girls' Escort of KingNet's Love: Rural Girls Protection Charity Project

The Company collaborated with the Communist Youth League Committee of Leibo County, Liangshan Prefecture, Sichuan Province, to donate 200 copies of the Girls' Escort of KingNet's Love – Healthy Education Mini-Classroom handbook. The handbook focuses on topics such as girls' physical health, gender awareness and self-protection. Through a combination of text, images and case-based guidance, it helps local girls develop healthy and appropriate gender awareness and self-awareness.

“Coloured Plateau” Rural Teacher Training Programme

The “Coloured Plateau” rural aesthetic education programme has covered 15 schools across Qinghai, Yunnan and Sichuan, distributing 1,475 picture books and delivering 205 teaching hours (9,800 minutes in total). The programme designs courses based on regional and cultural characteristics, enabling targeted delivery of aesthetic education resources, supporting local cultural inheritance and enriching students' artistic experiences.

“Sports Dreams” Empowerment Programme for Rural Teachers

The Company partnered with the Adream Foundation to launch a new round of donations, providing the “Sports Dreams” programme and 3,552 sets of sports equipment to 12 supported schools in Sichuan, Qinghai and Yunnan, enabling more equitable access to quality sports education resources in rural schools.

Plastic Bottle Recycling Programme Public Welfare Project

The Company delivered 277 sets of eco-friendly school uniforms made from recycled plastic materials to supported schools, enabling children to receive warmth while directly understanding the environmental value of resource recycling, transforming public welfare into a mobile classroom for environmental awareness.

## Volunteer Services

Through standardised management and project-based operations, and with the Volunteer Association as the carrier, the Company has gradually established a comprehensive volunteer service system, building the “Liuying” volunteer brand and forming a public welfare model with characteristics of an internet enterprise. As of the end of the reporting period, the Company had a total of 184 registered volunteers, including 21 volunteers from ethnic minority groups.

### Case

#### Supporting the 8th China International Import Expo with Diverse Volunteer Efforts

During the 8th China International Import Expo (CIIE), the Company organised 16 Party members, Youth League members and KingNet Liuying volunteers to participate in volunteer services at the Hongqiao “CIIE Pioneer Service Line”, contributing diverse volunteer efforts to this grand event.

Volunteers provided directions, answered inquiries and offered assistance to visitors travelling through the underground passage between Shanghai Hongqiao Railway Station and the National Exhibition and Convention Centre (Shanghai). With professionalism and warmth, they contributed to enhancing service quality at the Expo and fulfilled the commitment of “Showcasing Youth Through Service at the CIIE”, building a comprehensive, multi-level and people-oriented service support system.



Group Photo of Volunteers

## Emergency Relief

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



#### Case

#### Support for Hong Kong Tai Po Fire Relief Efforts

On the afternoon of November 26, 2025, a major fire broke out in several residential buildings in Hong Kong's Tai Po District, causing significant damage and casualties. On November 27, 2025, KingNet Network and its chairman Jin Feng raised 10 million HK\$ to support the Hong Kong civil affairs department and frontline rescue organizations, for use in medical assistance, emergency resettlement, and transitional living assistance for the affected residents, etc., for rescue work.

## Metrics and Targets

Under the K Action framework, the Company has set 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, disaster and emergency response, and digital accessibility.

2025



The Company carried out public welfare projects

18



delivered

2,535 hours of volunteer service



benefited

28,000 individuals through volunteer engagement

### Metrics and Targets on Community Contribution and Rural Revitalisation of KingNet Network in 2025

#### Investment in social public welfare



Targets: undertakings from 2023 to 2025

A total investment of RMB **20** million in social welfare

2025:

RMB **11.98** million

Cumulative for 2023–2025:

RMB **25.88** million



From 2020 to the end of the reporting period, the "KingNet's Love Public Welfare" programme delivered a total of 490,200 items (sets) of aid materials, with donated goods valued at RMB17.89 million, benefiting a cumulative total of 49,000 individuals, including over 90% from ethnic minority groups. More than 70 public welfare activities have been organised, and 7 emergency disaster responses have been initiated. The programme has received multiple forms of social recognition, significantly expanding the Company's positive influence.



# Governance Chapter

## Strengthening Governance for Long-term Compliance

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Anti-commercial bribery and anti-corruption 95

Anti-unfair Competition 97

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 Shareholders' Meeting, the Board of Directors and its special committees, 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 2025, in line with the latest regulatory requirements and our operational practices, we abolished the Board of Supervisors. Its functions were lawfully assumed by the Audit Committee of the Board of Directors, further strengthening the central role of the Board of Directors in the supervisory mechanism. At the same time, we revised a lot of internal systems, including the Articles of Association, the *Rules of Procedure for the Board of Directors*, the *Rules of Procedure for the Shareholders' Meeting*, and the *Rules of Procedure for the Strategy and Sustainability Committee of the Board of Directors*, continuously improving our corporate governance framework.



## Strategy

Corporate governance not only affects financial performance but is also directly linked to brand reputation, innovation capability, and user trust. We place great emphasis on standardised governance and investor relations management, continuously identifying, assessing, and managing governance-related impacts, risks, and opportunities, improving governance structures and internal control systems, and enhancing decision-making transparency and operational efficiency. We safeguard investors' lawful rights and interests in accordance with the law, strengthen the quality of information disclosure and communication mechanisms, and ensure that investors' rights to information, participation, and supervision are effectively upheld. Through strengthening governance systems and corporate culture, we continuously enhance core competitiveness and promote stable and sustainable development.

### Impacts, Risks and Opportunities Related to Corporate Governance Identified by KingNet Network and Response Strategies

Key Impacts, Risks and Opportunities	Timeframe of Impact	Potential Financial Impact	Response Strategy
Impact: Impairment of investors' rights and interests Risks: Reputational risks, compliance risks	Compliant operations    Information disclosure and protection of shareholder rights and interests	Medium- and long-term   Increase in compliance costs Decrease in revenue Increase in financing costs	<ul style="list-style-type: none"> <li>We consistently adhered to principles of compliance and transparency, ensuring that decision-making procedures are lawful.</li> <li>We strengthened mechanisms to protect the rights and interests of minority shareholders.</li> <li>We strengthened supervision over the conduct of senior management members.</li> </ul> <ul style="list-style-type: none"> <li>We upheld the principles of authenticity, accuracy, completeness, timeliness, and fairness, striving to build an efficient, investor-oriented information disclosure system.</li> <li>We established stable and efficient communication mechanisms with shareholders.</li> <li>With the purpose of enhancing investor confidence, the controlling shareholder and all senior management committed not to reduce their shareholdings for five years and to increase holdings through cash dividend reinvestment.</li> <li>We issued the <i>Three-Year Shareholder Return Plan (2025–2027)</i> to effectively protect the legitimate rights and interests of public investors.</li> </ul>

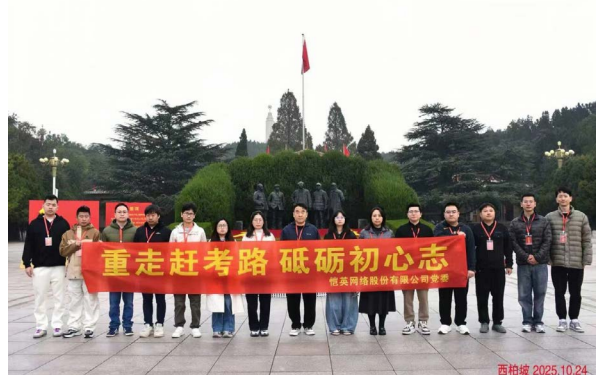
## Management of Impacts, Risks and Opportunities

### 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 Secretary 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 120 members.

The Company has continuously innovated 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. In 2025, we conducted more than 20 Party building activities.



Thematic Study Programme: "Revisiting the Path of Endeavour, Strengthening Original Aspirations"



Joint Party Building Activity: "Passing on the Spirit of 1 August, Strengthening Civil-Military Unity"

### Key Honours Received for the Company's Party Building and League Building in 2025



The Youth League Branch of Shanghai KingNet Was Recognised as a "National May Fourth Red Flag Youth League Branch"



An "Orange" Heart towards the Party Was Recognised as an Outstanding Party Building Brand among Internet Enterprises in Shanghai (2024)



The Party Class "An 'Orange' Heart towards the Party with Sincere Unity and Aspiration" Was Honoured as One of the "Top 10 Popular Empowerment Projects in Minhang District".

## Standardised Operations

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 2025, the Company regularly convened the Board of Directors, the Shareholders' Meeting, 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 2025

#### Effective performance of the Board of Directors



- Directors of the Company are elected or replaced by the Shareholders' Meeting, with each term lasting three years and eligibility for re-election upon expiry.
- In 2025, we added one employee representative Directors. The Board of Directors comprised nine 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 Shareholders' Meeting diligently, actively participating in relevant training, staying informed of applicable laws and regulations, and fulfilling their responsibilities with honesty and integrity
- In 2025, the Company actively organised Directors, 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 Directors system.

In 2025, the Company convened:

Shareholders' Meeting	proposals reviewed
<b>3</b>	<b>12</b>
Board of Directors meetings	proposals reviewed
<b>5</b>	<b>33</b>
meetings of special committees	proposals reviewed
<b>10</b>	<b>29</b>

In 2025, the average attendance rate at Board of Directors meetings was **100%**

#### 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 of the Directors system, independent Directors serve as chairpersons or members of all four special committees. Independent Directors account for 100% of the Audit Committee, further enhancing their role in daily governance and promoting the independence, fairness, transparency, and objectivity of the Board of Directors, while improving internal control efficiency.
- In 2025, the Company revised the [Working System for Independent Directors](#) and [the Rules of Procedure for Special Meetings of Independent Directors](#) to enhance Board independence. One special meeting of independent Directors was held, 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.
- The Company introduced gender diversity at Board level. In 2025, the Board of Directors included one female Directors.

### Performance assessment and incentive & restraint mechanism for Directors, and senior management members



- A fair and transparent performance assessment and incentive and restraint mechanism has been established and continuously improved for Directors, 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](#). The Shareholders' Meeting determines the annual remuneration framework, while the Board's Remuneration and Appraisal Committee, under the authorisation of the Shareholders' Meeting, is responsible for performance appraisals of Directors. The Company revised the [Management Measures for Shareholding and Changes in Shareholding by Directors, and Senior Management Members](#) to strengthen the management of shareholdings and changes by Directors and senior management members.
- All senior management members committed not to reduce their directly held shares in any form from 3 July 2024 to 2 July 2029, and to use after-tax dividends received between 1 January 2024 and 31 December 2028 to continuously increase their shareholdings each year.

### Information on Members of KingNet Network's Board of Directors

Directors	Positions Held	Gender	Age	Independence		Professional Background		
				Independent from Management Level	Independent from Other Stakeholders	Industry Expert	Financial Expert	Risk Management Expert
Jin Feng	Chairman of the Board	Male	38	✓				
	Chair of the Strategy and Sustainability Committee							
Shen Jun	Deputy Chairman	Male	48			✓	✓	
	General Manager							
	Member of the Nomination Committee							
	Member of the Remuneration and Appraisal Committee							
Zhao Fan	Director, Deputy General Manager	Male	48			✓	✓	
Qian Junfa	Director, Deputy General Manager	Male	46			✓	✓	
Huang Yu	Employee Representative Director	Male	47	✓				✓
Yu Jingxuan	Independent Director	Male	55	✓	✓		✓	
	Chair of the Audit Committee							
	Member of the Strategy and Sustainability Committee							
Chen Yinghua	Independent Director	Male	43	✓	✓			
	Member of the Strategy and Sustainability Committee							
	Member of the Nomination Committee							
Zhu Liufei	Independent Director	Male	41	✓	✓			
	Chair of the Remuneration and Appraisal Committee							
	Member of the Audit Committee							
Jiang Hongzhen	Independent Director	Female	47	✓	✓			✓
	Chair of the Nomination Committee							
	Member of the Audit Committee							
	Member of the Remuneration and Appraisal Committee							

## 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 2025, the Company published a total of 127 announcements on the Shenzhen Stock Exchange. Our information disclosure received an "A" rating from the Shenzhen Stock Exchange.

Adhering to an investor-first philosophy, the Company formulated the *Three-Year Shareholder Return Plan (2025–2027)* in 2025. We actively protect investors' rights and interests 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 management 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 exceeded

**2,800** investors in total in 2025.



2025 Annual Investor Exchange Conference

In addition, the Company deeply integrates sustainability performance into investor relations management, translating ESG concepts into long-term investment value signals through proactive, transparent, and continuous communication. In routine communications such as regular performance briefings and roadshows, the Company not only reports its financial performance but also systematically elaborates on its strategies, objectives, specific measures, and quantified achievements in green operations, the implementation of social responsibility, and the improvement of corporate governance.

### Honours and Recognitions for KingNet Network's Information Disclosure and Investor Relations in 2025



JRJ.com  
*Outstanding Investor Relations (IR) Team Award*



Value Online  
*2025 Excellence in Investor Relations Award for Listed Companies*



Roadshow China  
*Best Capital Market Communication Award*



Comein Finance  
*Best Institutional Coverage Award*

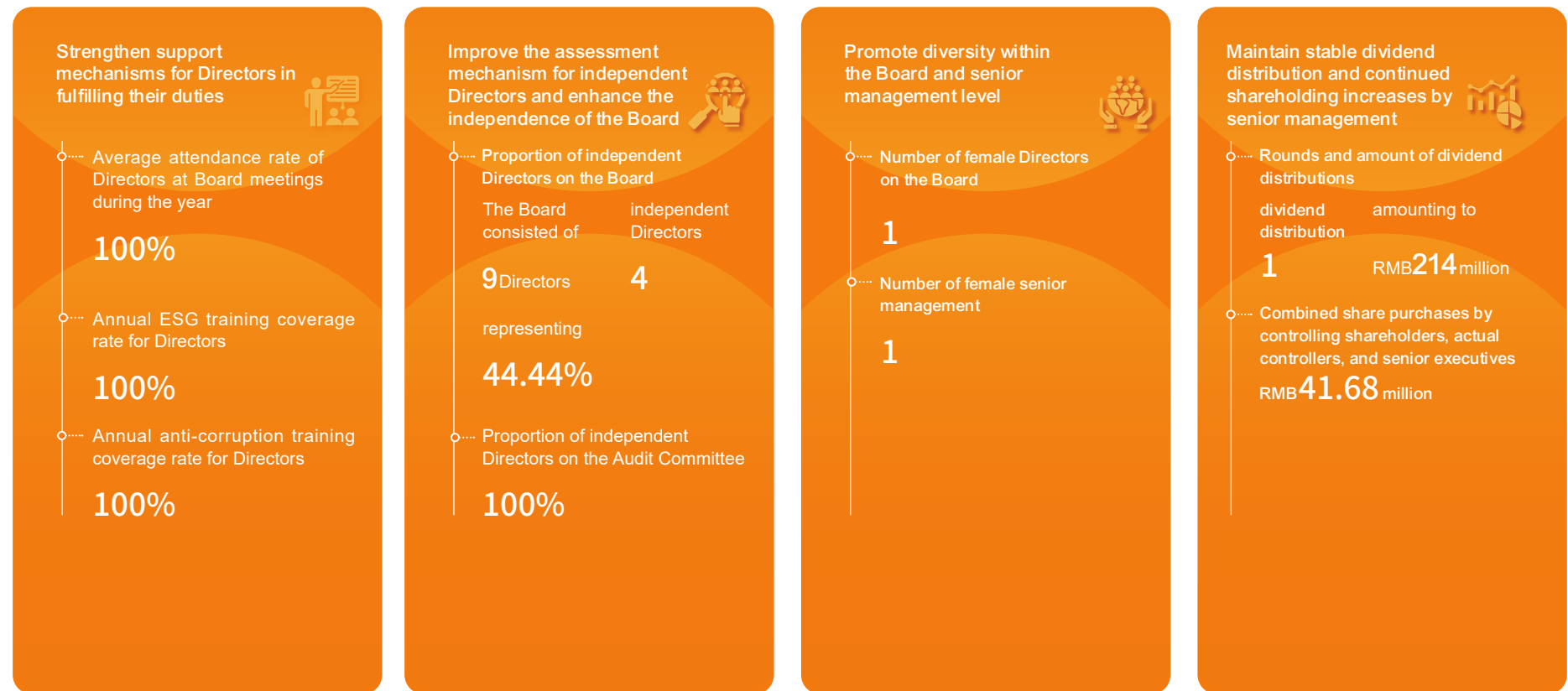


Shenzhen Stock Exchange  
*2024–2025 Listed Company Information Disclosure "A" Rating*



## Metrics and Targets

The Company has established corporate governance-related targets and corresponding monitoring indicators to continuously track implementation progress. In 2025, 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, Environmental and Social" section of the *2025 Annual Report of KingNet Network Co., Ltd.*



# 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.

It has established the Legal Affairs Department, led by the Chief Legal Officer, responsible under the supervision of the Board of Directors for building and continuously improving the compliance management system, providing professional legal support and compliance assurance for operations and strategic development. In 2025, the Company newly introduced and revised a total of 44 internal compliance management policies, improving compliance processes and actively implementing compliance actions to ensure lawful and compliant operations.

## Strategy

During operations, the Company may face compliance risks such as violations related to game content. If not properly managed, these risks may lead to regulatory penalties, legal disputes, financial losses, and reputational damage. Accordingly, it continuously improves the compliance management system, systematically identifies and effectively manages various compliance risks, so as to enhance its level of 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	Medium- and long-term	Increase in compliance costs Decrease in revenue	<ul style="list-style-type: none"> <li>Conduct regular compliance training and awareness activities.</li> <li>Continuously improve the internal control system and strengthen internal audits.</li> <li>Integrate compliance management into the daily management of all ESG topics.</li> </ul>

## 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.

### 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.

In 2025, for the newly established Digital Economy R&D Centre project, the Company revised relevant institutional documents and established standardised compliance processes, clarifying control requirements and responsibilities for key stages. At the same time, it regularly reviews and evaluates process implementation, identifies potential risk points, and proposes optimisation measures, continuously enhancing the standardisation and compliance of business management.

### Organise Legal Awareness Month Lecture Series

To strengthen compliance management in the gaming business and mitigate legal risks related to data usage and new technologies, the Company organised two thematic lectures in December 2025. Experts from Zhejiang University Law School and Zhejiang Disuo Law Firm were invited to provide in-depth insights on game data compliance and AIGC application compliance, injecting legal support into the Company's sustainable development.



Lecture on Game Data Compliance

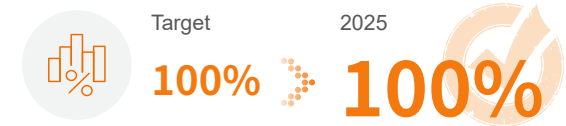


Lecture on AIGC Application Compliance in Gaming

## Metrics and Targets

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

### Compliance training coverage rate for key position employees



### Number of material incidents of non-compliance



# 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 Board of Directors bears ultimate responsibility for oversight of the risk management system. The Audit Committee under the Board supervises the operation of risk management and internal control systems. We have established a “three lines of defence” risk management mechanism comprising business departments, the Legal Affairs Department, and the Internal Audit Department, clearly defining responsibilities at each level for risk identification, supervision, and independent evaluation. The Internal Audit Department, led by the Chief Audit Executive, conducts independent audit and supervision.

### KingNet Network's Three Lines of Defence for Risk Management



## 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	Increase in compliance costs Decrease in revenue	<ul style="list-style-type: none"> <li>Establish a comprehensive supervision and review mechanism for game products and regularly issue compliance reports to mitigate content-related risks.</li> <li>Enhance publishing and operational capabilities, develop differentiated products and services, continuously optimise user experience, and maintain competitive advantages.</li> <li>Strengthen core competitiveness and expand market share through the continuous launch of flagship and new games, ensuring sustained growth in global mobile game publishing and operations.</li> </ul>
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.	Medium- and long-term	Decrease in revenue	<ul style="list-style-type: none"> <li>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 specific strategies, refer to the "Human Capital Development" section.</li> </ul>
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"> <li>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.</li> <li>Introduce IPs suitable for global distribution to avoid affecting the launch of the game due to licensing policy factors.</li> </ul>
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.			
Investment management risk	Inadequate investment decision-making or post-investment management may result in underperformance of investment projects, adversely affecting asset security and operational outcomes.	Medium- and long-term	Decline in investment returns	<ul style="list-style-type: none"> <li>Establish and improve investment decision-making processes and post-investment management systems, conduct rigorous due diligence, review and approval, strengthen post-investment monitoring, risk early warning and dynamic control, and promptly optimise operational strategies to ensure steady progress of investment projects and safeguard asset security and operational performance.</li> </ul>
Other sustainability-related risks	See relevant topics in this Report			

In addition, with the development of emerging technologies and changes in regulatory environments, the Company also faces challenges arising from emerging risks. Accordingly, we continuously monitor external environmental trends, strengthen forward-looking risk identification and response capabilities, and ensure stable operations and long-term sustainable development.

Emerging Risks	Risk Descriptions	Timeframe of Impact	Potential Financial Impact	Response Strategy
Risk of tightening AIGC regulation	As we continue to deepen the application of AI technologies, inadequate management may lead to ethical issues such as algorithmic bias, discrimination and AIGC-related infringement. This may result in regulatory penalties, reputational damage, increased compliance costs and negative impacts on future revenue.	Medium- and long-term	Increase in compliance costs Decrease in revenue	<ul style="list-style-type: none"> <li>Establish compliance assessment mechanisms for AI applications, incorporating algorithm transparency and content review into the R&amp;D process.</li> <li>Set up dedicated processes for technology ethics and AI compliance assessment.</li> <li>Maintain communication with regulatory authorities and collaborate with research institutions to conduct forward-looking research.</li> <li>Further strategies are detailed in the "Technology ethics" subsection.</li> </ul>
Geopolitical risk	Changes in the global trade environment, international relations and cross-border data regulation policies may affect overseas IP introduction, game publishing approvals, data transmission and the stability of local operations, increasing business uncertainty.	Medium- and long-term		<ul style="list-style-type: none"> <li>Promote diversified regional market deployment to reduce reliance on a single market.</li> <li>Strengthen local compliance consulting and legal support.</li> </ul>



## Management of Impacts, Risks and Opportunities

The Company has established a comprehensive risk management process covering risk identification, assessment, response, monitoring and review, as well as reporting and communication, forming a closed-loop risk management mechanism to support the stable operation of strategic objectives and business management.

### Risk Management Process of KingNet Network



At the same time, the Company has established a risk control matrix to systematically organise and manage key risk points, control measures and responsibilities, further enhancing the refinement of risk identification and control.

In addition, as we continue to expand investments across the gaming industry chain and intelligent technology sectors, while broadening business boundaries and cultivating growth drivers, higher requirements are placed on risk management. Under the existing enterprise risk management framework, we have incorporated investment-related risks into key management priorities. We have defined an investment strategy focused on "precisely targeting high-potential sectors", formulated *Investment Management Measures*, and established a full lifecycle investment risk management mechanism covering pre-investment, during-investment and post-investment stages. Through cross-departmental independent evaluation and continuous monitoring, we systematically identify, assess and manage risks associated with investment activities.

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 online operation of games" and established a long-term monitoring mechanism to ensure the effective implementation of risk management.

### Risk Management Metrics and Targets of KingNet Network

#### Number of violations in online operation games



Target

0



Progress in 2025

0



# Anti-commercial bribery and anti-corruption

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 set out the Company-wide requirements for anti-commercial bribery and anti-corruption management, 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 Company has established an Integrity and Self-Discipline Committee, led by the Supervisory Department and formed jointly with the Internal Audit Department and the Legal Affairs Department, with the General Manager serving as Committee Chair. 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.

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	Increase in compliance costs Decrease in revenue	<ul style="list-style-type: none"> <li>Adhere to a "zero tolerance" policy and the principle of punishing and preventing simultaneously, with clearly defined red-line behaviours.</li> <li>Strengthen the integrity system.</li> <li>Conduct targeted supervisory audits.</li> <li>Establish a whistleblowing platform and maintain open internal reporting channels.</li> <li>Enhance internal anti-corruption awareness and advocacy.</li> </ul>

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.

尊敬的合作伙伴：

春临岁启，新程共赴。值此丙午马年新春佳节即将到来之际，谨向贵公司致以最诚挚的新春问候与美好祝愿！衷心感谢长期以来，贵司与我们秉持诚信为本、互利共赢的原则，携手同行、并肩耕耘，共同构筑起稳固、良好的合作关系

佳节尚廉，清风致远。廉洁是合作长久的基石，公正是彼此信任的底色。为持续维护双方健康、透明、清朗的合作生态，守护合作初心、筑牢廉洁防线，恺英网络特向贵公司作出如下廉洁承诺

1. 严禁我司员工及其家属以任何形式收取礼金、购物消费卡、名贵礼品、电子红包、有价证券、支付凭证等财物；
2. 严禁我司员工及其家属以“行业惯例”、“感谢费”、“辛苦费”、“好处费”等任何形式向贵公司行贿、受贿、索贿、收受回扣；
3. 严禁我司员工及其家属参加贵公司安排的旅游、健身、商务娱乐、会所招待等高消费娱乐活动
4. 严禁我司员工及其家属参加贵公司安排的以旅游为目的的考察调研、会议活动、学习培训等活动
5. 严禁我司员工及其家属接受贵公司为其提供的全职或兼职工作；
6. 严禁我司员工及其家属接受贵公司的借款、贷款
7. 禁止我司员工及其亲属接受贵公司任何形式的利益输送。

若贵司在合作过程中，遭遇我司员工索贿、变相索要利益等违规违纪行为，敬请第一时间通过我司廉洁举报渠道反馈。我司将对所有举报信息严格保密，为举报人提供全面的匿名保护，并对相关线索依法依规、严肃核查、从严处理，切实维护双方合法权益举报邮箱：jubao@kingnet.com

初心如磐，方得始终。愿我们在新的一年里，继续以廉为帆、以信为舟，坚守合作底线、共守廉洁初心，深化精诚合作、携手共谋发展，在清风正气中共创更加美好的合作未来！

恺英网络采购部 & 监察部

再次恭祝贵司新春愉快、事业蒸蒸日上、诸事顺遂！

二〇二六年一月

KingNet Network's Integrity Co-Building Notice to All Business Suppliers

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.

**Establish a whistleblower protection mechanism**

- Ensure open reporting channels: Establish multiple anonymous or named 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.

**Promote anti-corruption awareness and education**

- Conduct annual anti-corruption and integrity education activities covering all employees (including part-time 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**

- Formulate the Supplier Management Rules and the Procurement Process Management Rules, among other policies, to set out anti-corruption management requirements for suppliers. Enter into an Integrity and Honesty Commitment with all suppliers, systematically incorporating integrity and compliance requirements into supplier onboarding, cooperation, and management processes.
- Issue an Integrity Co-Building Notice to all suppliers to communicate the Company's integrity requirements and convey its zero-tolerance stance towards corrupt conduct.
- Regularly communicate the Company's whistleblowing channels to suppliers, encouraging suppliers and relevant parties to report non-compliant conduct through lawful and compliant means, and strengthening the identification and prevention of integrity risks across the supply chain.

**Anti-Corruption Awareness Session**

To promote ethical business conduct, enhance the Company's social credibility and market competitiveness, and reduce legal risks and liabilities, the Company held an anti-corruption awareness campaign on 19 June 2025. The session was attended by 45 participants in person, with learning materials simultaneously made available to all employees via an online platform to ensure Company-wide training coverage.



The Company has established management metrics to continuously monitor the effectiveness of anti-commercial bribery and anti-corruption efforts. In 2025, no incidents related to commercial bribery or corruption occurred.

**KingNet Network's Anti-Commercial Bribery and Anti-Corruption Metrics and Targets**

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



# Anti-unfair Competition

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.

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

The Company has strengthened intellectual property management practices and obtained certification under the Certification for Intellectual Property Compliance Management System, valid from 20 November 2024 to 19 November 2027.

### Trademark application and renewal

The Company has filed a total of 10 trademark-related applications, including registrations, renewals, and amendments.

### Intellectual property rights protection litigation

The Company protects the Company's game IP through litigation.

### Game IP protection

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.

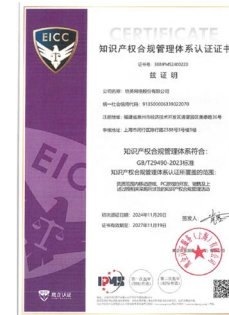
### Purchase of licensed software

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

Regular intellectual property compliance training sessions were conducted to raise employee awareness of IP protection.

With respect to the prevention of false advertising, the Company places great importance on brand reputation management. It strictly complies with relevant laws, regulations, and industry standards in all marketing and promotional activities, ensuring that all promotional content is truthful, accurate, and complete, and refrains from any exaggerated or misleading statements. The Company has established a marketing content review mechanism to conduct compliance checks on promotional materials, guard against false advertising and improper marketing practices, and continuously safeguard consumers' lawful rights and interests as well as the Company's reputation.



GB/T Intellectual Property Compliance Management System Certification Certificate

In 2025



the Company recorded **no** incidents of unfair competition, including false advertising, monopolistic conduct, or infringement of third-party intellectual property rights.

# ESG Data Table and Notes

## Environmental Performance<sup>1</sup>

Indicator	Unit	2023	2024	2025
Total energy consumption	tce	—	324.01	479.61
Direct energy consumption <sup>2</sup>	tce	—	36.74	38.20
Indirect energy consumption <sup>3,4</sup>	tce	—	287.27	441.41
Energy consumption per unit revenue <sup>4</sup>	tce/RMB million	—	0.06	0.09
Total power consumption	kWh	2,060,894	2,335,772	3,589,026 <sup>4</sup>
Purchase of green electricity certificates <sup>5</sup>	kWh	825,000	1,100,000	3,591,000
Proportion of green electricity in annual power consumption	%	40.03	47.09	100
Power consumption per unit operating revenue	kWh/RMB0,000	4.80	4.56	6.74
Power consumption per unit area	kWh/m <sup>2</sup>	—	149.51	143.58
Gasoline consumption of self-owned vehicles	L	42,452.00	33,737.56	35,080.92
Total GHG emissions (Scope 1 + Scope 2) (market based) <sup>6</sup>	tCO <sub>2</sub> e	828.40	798.40	77.70

Indicator	Unit	2023	2024	2025
Scope 1 GHG emissions <sup>6</sup>	tCO <sub>2</sub> e	94.03	74.73	77.70
Scope 2 GHG emissions (market based) <sup>6</sup>	tCO <sub>2</sub> e	734.37	723.67	0.00
GHG emissions (Scope 1 + Scope 2) per unit revenue	tCO <sub>2</sub> e/RMB million	0.19	0.16	0.01
Scope 3 GHG emissions <sup>7</sup>	tCO <sub>2</sub> e	21,126.62	132,360.68	201,785.85
Category 1: Purchased goods and services <sup>7</sup>	tCO <sub>2</sub> e	19,595.72	130,644.35	200,703.15
Category 6: Business travel	tCO <sub>2</sub> e	371.91	362.01	273.43
Category 7: Employee commuting	tCO <sub>2</sub> e	1,158.99	1,354.32	809.27
Total water consumption <sup>8</sup>	t	6,377	16,781.75	15,557.29
Water consumption per unit revenue	t/RMB0,000	0.015	0.033	0.029

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 2025, as part of the Company's carbon inventory process, the statistical methodology and management of energy consumption data were further refined. Certain historical data were retrospectively reviewed and the corresponding 2024 figures have been updated accordingly, in order to ensure completeness and comparability of disclosed data.

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 2025, due to the relocation of the company's office and the expansion of office space, there was an increase in total power consumption, indirect energy consumption, and the energy consumption per unit revenue. To more accurately reflect energy use efficiency, the Company has supplementarily disclosed electricity intensity per unit floor area for analytical purposes.

Note 5: In 2025, the Company procured a total of 3,591 green electricity certificates (GECs), each representing 1 MWh of green electricity, offsetting electricity consumption for the period from 1 January 2025 to 31 December 2025.

Note 6: The total GHG emissions include 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 CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. 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 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 CO<sub>2</sub>. The Company calculates Scope 2 emissions from purchased electricity using both the location-based and market-based methods. Location-based Scope 2 GHG emissions were 1,175.33 tCO<sub>2</sub>e in 2023, 833.04 tCO<sub>2</sub>e in 2024, and 1,904.34 tCO<sub>2</sub>e in 2025. In 2025, the relevant GHG emission factors refer to the Announcement on *the Release of Carbon Dioxide Emission Factors for Electricity in 2023* issued by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2025. The emission factor for purchased electricity by location is 0.5306 tCO<sub>2</sub>e per megawatt-hour, and the emission factor for purchased electricity (excluding non-fossil energy electricity traded in the market) by market is 0.6096 tCO<sub>2</sub>e per megawatt-hour.

Note 7: Greenhouse gas emission factors for Category 1 (including information technology services, business services, and cultural and office equipment) and Category 6 are derived from data in the China Environmental Extended Input-Output (CEEIO) database, adjusted in accordance with China's 2024 Producer Price Index (PPI); greenhouse gas emission factors for Category 7 are calculated based on documents such as the *2024 Commuting Monitoring Report for Major Chinese Cities* and the *2024 Urban Transport Travel Survey*.

Note 8: As water charges are bundled within the property management fees at the Company's headquarters and cannot be separately itemised, the 2023 water consumption figures cover only hospitality water usage and standalone restroom water usage at the headquarters, as well as total water consumption at Zhejiang Shenghe. For 2024 and 2025, the Company has estimated total water consumption by applying per capita water consumption data from Zhejiang Shenghe, thereby expanding the reporting boundary to cover all water consumption within the full statistical scope. Accordingly, the figures reflect a significant change compared with those reported prior to 2022.

## Social Performance

### Employee Employment and Training Performance Table

Indicator		Unit	2023	2024	2025
Total number of employees		Person	1,869	2,184	2,248
By gender	Male	Person	1,366	1,584	1,610
	Female	Person	503	600	638
By region	Mainland China	Person	1,869	2,183	2,245
	Hong Kong, Macao, Taiwan, and overseas	Person	0	1	3
By age	Over 50 years old	Person	2	6	6
	30-50 years old	Person	927	1,112	1,231
	Under 30 years old	Person	940	1,066	1,011
By Ethnicity <sup>1</sup>	Han Chinese	Person	—	—	2,191
	Ethnic minority	Person	—	—	56
By level	Grassroots	Person	—	—	1,969
	Junior management	Person	—	—	102
	Middle management	Person	—	—	161
	Senior management	Person	—	—	16
	Percentage of female employees in the management level <sup>2</sup>	%	14.94	16.00	21.86
Share of women in management positions in revenue-generating functions <sup>3</sup>	%	—	—	57.98	
Share of women in STEM-related positions <sup>4</sup>	%	—	—	18.12	
Proportion of vacancies filled through internal recruitment	%	—	—	3.26	
By gender	Male	%	—	—	2.64
	Female	%	—	—	0.62

Indicator		Unit	2023	2024	2025
By age	Over 50 years old	%	—	—	0.00
	30-50 years old	%	—	—	3.26
	Under 30 years old	%	—	—	0.00
Employee turnover rate <sup>5</sup>		%	18.89	11.08	16.64
By gender	Male	%	19.11	10.42	17.83
	Female	%	18.29	12.83	13.64
By age	Over 50 years old	%	0	33.33	50.00
	30-50 years old	%	14.35	6.38	12.75
	Under 30 years old	%	23.4	15.85	21.17
By level	Grassroots	%	—	—	18.08
	Junior management	%	—	—	3.92
	Middle management	%	—	—	5.59
	Senior management	%	—	—	0
Signing rate of labour contracts		%	100	100	100
Percentage of formal employees accepting regular performance and career development assessment <sup>6</sup>		%	100	100	100
Number of employee training sessions		/	—	329	337
Total employee training expenditure <sup>7</sup>		RMB0,000	—	81.51	25.35
Coverage of employees in training <sup>8</sup>		%	100	100	100
Training time per employee <sup>9</sup>		Hour	18.84	13.05	15.23
Total number of employee discrimination incidents		/	0	0	0

Note 1: The company has one foreign employee who is not included in the statistics on the number of employees by ethnicity.

Note 2: In 2025, the statistical scope for management covers senior management, middle management, and junior management. In 2024, the scope covered senior management and middle management only.

Note 3: Revenue-generating roles refer to employees in the company's marketing-related positions.

Note 4: STEM-related roles refer to employees in positions related to Science, Technology, Engineering and Mathematics, i.e. the company's technical employees.

Note 5: [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 6: [Calculation method]: Percentage of formal employees receiving regular performance and career development reviews = number of employees who received regular performance and career development reviews during the reporting period / total number of formal employees at the end of the reporting period \* 100.

Note 7: In 2024, the company launched a specialized AI training program for the technology department, resulting in relatively higher training costs for the period; related spending returned to normal levels in 2025.

Note 8: [Calculation method] Coverage of employees in training = number of employees receiving training / total number of employees \* 100.

Note 9: [Calculation method] Training time per employee = total number of hours of training received by employees during the year / total number of employees.

Indicator	Unit	2023	2024	2025
Employee work-related injury insurance expenditure	RMB0,000	—	57.29	71.45
Coverage rate of employee work-related injury insurance	%	—	100	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

### Product Responsibility and Customer Service Performance Table

Indicator	Unit	2023	2024	2025
Number of complaints about products and services <sup>1</sup>	/	273	520	1,182
Complaint resolution rate <sup>1</sup>	%	100	100	100
Customer satisfaction	%	—	—	92.85
Number of legal or regulatory violations related to game content quality	/	0	0	0
IP approval rate for acquired intellectual properties	%	—	100	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, the total number of complaints has risen year by year. At the same time, the company has connected to the "996 Game Box" platform's complaint system, further improving the complaint handling channels and enhancing the completeness of data statistics. This has enabled more user feedback to be included in the statistics, resulting in a year-on-year increase in the total number of complaints.

### Data Security and Customer Privacy Protection Performance Table

Indicator	Unit	2023	2024	2025
Coverage rate of employee training and awareness on data security and privacy protection	%	—	100	100
Number of incidents penalised for violating data security laws and regulations	/	—	0	0
Number of violations related to customer privacy	/	0	0	0
Amount involved in data security and disclosure of customer privacy incidents	RMB0,000	—	0	0
Number of flaws in anti-addiction system	/	—	0	0

### Innovation-Driven Performance Table

Indicator	Unit	2023	2024	2025
Number of R&D personnel	Person	1,275	1,488	1,479
Proportion of R&D personnel	%	68.22	68.13	65.79
Amount invested in R&D	RMB0,000	—	59,837.31	59,510.87
R&D investment as a percentage of main business revenue	%	—	11.69	11.18
Number of patent applications during the reporting period	/	—	1	1
Number of patents granted during the reporting period	/	—	0	1
Number of valid patents during the reporting period	/	—	22	23
Number of invention patents applied to main business	/	—	5	4
Number of trademark applications during the reporting period	/	—	25	10
Number of trademarks approved during the reporting period	/	—	31	26
Cumulative number of approved trademarks	/	—	669	664
Number of software copyright registrations during the reporting period	/	—	—	12
Cumulative number of trademarks approved	/	—	—	700

## Supply Chain Management Performance Table

Indicator	Unit	2023	2024	2025
Total number of suppliers	/	461	531	518
Number of suppliers in Mainland China	/	460	530	517
Number of suppliers in Hong Kong, Macao, Taiwan and overseas	/	1	1	1

## Community Investment Performance Table

Indicator	Unit	2023	2024	2025
Investment in social public welfare	RMB0,000	6,516,983.39	7,380,497.08	11,989,589.65
Public welfare donation	RMB0,000	1,274,715.00	2,775,989.00	2,636,670.00
Number of volunteer activities organised	/	—	20	23
Total hours of employee volunteer service	Hour	—	1,579	2,535
Employee volunteer service participation	/	—	189	266
Number of public welfare projects carried out	/	—	20	18
Number of beneficiaries of rural revitalisation initiatives	Person	—	14,268	34,574
Number of beneficiaries of rural revitalisation initiatives	RMB0,000	—	1,873,673.26	3,963,096.83

## Economic Performance

Indicator	Unit	2023	2024	2025
Revenue	RMB0,000	429,539.03	512,024.04	532,497.78
Total profit	RMB0,000	169,724.34	167,173.48	198,074.31

## Sustainability Governance Performance

### Anti-commercial Bribery and Anti-corruption Performance Table

Indicator	Unit	2023	2024	2025
Proportion of Directors covered by anti-commercial bribery and anti-corruption training	%	—	100	100
Proportion of new suppliers covered by Anti-Corruption Agreements during the reporting period	%	—	100	100
Amount involved in litigation or major administrative penalties during the reporting period arising from the Company's unfair competition practices	RMB0,000	—	0	0
Number of concluded corruption-related litigation cases brought against the Company or its employees during the reporting period	/	0	0	0

### Compliant Operation Performance Table

Indicator	Unit	2024	2025
Compliance training coverage for key positions	%	100	100
Number of compliance training sessions conducted	/	24	10
Number of material incidents of non-compliance	/	0	0

Note 1: Major incidents of non-compliance refers to a violation of national policies, laws and regulations, or industry standards. The Company recorded no related incidents in 2024 and 2025.

# Report Standard Index

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

Disclosure Requirement	Corresponding Section in This Report
<b>Topics Required for Disclosure under the Guidelines</b>	
Climate response	Climate response ESG Data Table and Notes
Pollutant discharge	Green Operations ESG Data Table and Notes No industrial wastewater is produced during operations. All domestic wastewater undergoes compliant treatment and discharge.
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. Electronic waste disposed of by third parties in full regulatory compliance.
Ecosystem and Biodiversity Protection	Ecosystem and Biodiversity Protection
Environmental compliance management	Green Operations ESG Data Table and Notes
Energy utilisation	
Water resources utilisation	
Circular economy	
Rural revitalisation	Community Contribution and Rural Revitalisation ESG Data Table and Notes
Community contribution	
Innovation	Product R&D and innovation ESG Data Table and Notes
Technology Ethics	Technology Ethics
Supply chain security	Supplier Sustainability Management
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.

Disclosure Requirement	Corresponding Section in This Report
Product and service safety and quality	Content quality management Customer service and complaint handling ESG Data Table and Notes
Data security and customer privacy protection	Data security and customer privacy protection ESG Data Table and Notes
Employees	Employment and Protection of Employees' Rights and Interests Human capital development ESG Data Table and Notes
Due diligence	Due Diligence and Communication with Stakeholders
Communication with Stakeholders	Due Diligence and Communication with Stakeholders
Anti-commercial bribery and anti-corruption	Anti-commercial bribery and anti-corruption ESG Data Table and Notes
Anti-unfair Competition	Anti-unfair Competition
<b>Topics Voluntarily Disclosed in Accordance with Article 5 of the Guidelines</b>	
Social functions of games	Social functions of games
Protection of Minors in Cyberspace	Protection of Minors in Cyberspace
Corporate governance	Corporate governance ESG Data Table and Notes
Compliant operation	Compliant operation 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 2025 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	About KingNet Network
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	
	2-4 Information restatement	ESG Data Table and Notes
	2-5 External assurance	Third-Party Independent Audit Report
	2-6 Activities, value chain and other business relationships	About KingNet Network
	2-7 Employees	About KingNet Network 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 2025 Annual Report
	2-10 Nomination and selection of the highest governance body	2025 Annual Report
	2-11 Chair of the highest governance body	Corporate governance 2025 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	Chairman's Statement Sustainability Governance Structure
	2-15 Conflicts of interest	2025 Annual Report
	2-16 Communication of critical concerns	Sustainability Governance Structure

GRI Standards	Disclosure	Location	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Corporate Governance	
	2-22 Statement on sustainable development strategy	Chairman's Statement 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 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 101: Biodiversity 2024	101-8 Ecosystem services	Ecosystem and Biodiversity Protection	
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Climate Response ESG Data Table and Notes	
	102-2 Climate change adaptation plan		
	102-4 GHG emission reduction targets and progress		
	102-5 Scope 1 GHG emissions		
	102-6 Scope 2 GHG emissions		
	102-7 Scope 3 GHG emissions		
102-8 GHG emissions intensity			

GRI Standards	Disclosure	Location
GRI 103: Energy 2025	103-1 Energy policy and commitments	Green Operations ESG Data Table and Notes
	103-2 Energy consumption within the organisation and self-generated energy	
	103-4 Energy intensity	
	103-5 Reduction of energy consumption	
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 303: Water and Effluents 2018	303-3 Water withdrawal	ESG Data Table and Notes
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Green Operations
	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	Employment and Protection of Employees' Rights and Interests

GRI Standards	Disclosure	Location
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	
	403-9 Work-related injuries	ESG Data Table and Notes
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Development
	404-2 Programmes for upgrading employee skills and transition assistance programmes	ESG Data Table and Notes
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Data Table and Notes
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 2025
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Content Quality Management Protection of Minors in Cyberspace
	417-2 Incidents of non-compliance concerning product and service information and labelling	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

## 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.
China Tourist Attractions Association	Member	KingNet Network Co., Ltd.
Yangtze River Delta Entrepreneurs Union	Member	Hangzhou KingNet Network Technology Co., Ltd.
Yangtze River Delta Entrepreneurs Union	Member	Shanghai KingNet Software Technology Co., Ltd.
Shanghai Software Industry Association	Council Member	Shanghai KingNet Network Technology Co., Ltd.
Shanghai Software Industry Association	Group Member	Shanghai KingNet Software Technology Co., Ltd.
Shanghai Software Industry Association	Group Member	Shanghai Shengsong Network Technology Co., Ltd.
Shanghai Software Industry Association	Group Member	Shanghai Doushi Network Technology Co., Ltd.
Shanghai Software Industry Association	Group Member	Shanghai Beihai 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.

Full Name of Association	Membership Level	Entity
Internet Association of Shanghai	Member	Shanghai KingNet Network Technology Co., Ltd.
Shanghai Online Game Association	Vice President	Shanghai KingNet Software Technology Co., Ltd.
Shanghai Online Game Association	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.
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 Tradein Services Industry Association	Council Member	Shanghai KingNet Network Technology Co., Ltd.
Pujiang Town Chamber of Commerce, Minhang District, Shanghai	Member	Shanghai Doushi Network Technology Co., Ltd.
Listed Companies Association of Fujian	Council Member	KingNet Network Co., Ltd.
Jiangxi Software Industry Association	Vice Council Chair Member	Shangrao Kaisheng Network Technology Co., Ltd.
Jiangxi Internet Society	Council Member	Shangrao Kaisheng Network Technology Co., Ltd.
Jiangsu Internet Association	Member	Suzhou Juhe Network Technology Co., Ltd.
Zhejiang Games Association	Vice President	KingNet Network Co., Ltd.
Zhejiang Games Association	Supervisor	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.
Hangzhou Cultural Industry Promotion Association	Council Member	Hangzhou Kaixing Network Technology Co., Ltd.
Shenzhen Software Industry Association	Member	Aimiluo Technology (Shenzhen) Co., Ltd.

# 第三方独立审验报告



## ASSURANCE STATEMENT

### REPORT ON SUSTAINABILITY ACTIVITIES IN THE KINGNET NETWORK CO., LTD.'S SUSTAINABILITY & ESG REPORT FOR 2025

#### NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Kingnet Network Co., Ltd. (hereinafter referred to as Kingnet Network) to conduct an independent assurance of the Sustainability & ESG Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

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

#### RESPONSIBILITIES

The sustainability information in the Sustainability & ESG Report for 2025 and its presentation are the responsibility of Kingnet Network's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the Sustainability & ESG Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC 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 Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

#### SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

#### Specific Performance Information within the Assurance Scope

Environmental	Social	Sustainability Governance
Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions Category 1: Purchased goods and services Category 6: Business travel Category 7: Employee commuting Total Water consumption	Total number of employees Percentage of female employees in the management level Share of women in management positions in revenue-generating functions Share of women in STEM-related positions Percentage of open positions filled by internal candidates Employee turnover rate Total employee training expenditure Training time per employee Customer satisfaction	Proportion of directors covered by anti-commercial bribery and anti-corruption training Number of concluded corruption-related litigation cases brought against the Company or its employees during the reporting period Compliance training coverage for key positions Number of material incidents of non-compliance



#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at 15th Floor, Block A, Expo Yew Wah Business Center, No. 899 Yaohua Road, Pudong New District, Shanghai, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Kingnet Network and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emissions related data in the Sustainability & ESG Report for 2025 was calculated by Kingnet Network. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

#### 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. As an affiliate of SGS Group, SGS-CSTC affirm 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, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Kingnet Network Co., Ltd.'s Sustainability & ESG Report for 2025.

##### ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Kingnet Network Co., Ltd.'s Sustainability & ESG Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

##### ADHERENCE TO SELF-REGULATORY GUIDELINES NO. 17 FOR COMPANIES LISTED ON SHENZHEN STOCK EXCHANGE—SUSTAINABILITY REPORT (FOR TRIAL IMPLEMENTATION)

The assurance team concludes that the Kingnet Network Co., Ltd.'s Sustainability & ESG Report for 2025 has been prepared in accordance with the requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

Signed:

For and on behalf of SGS-CSTC

David Xin  
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