

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

The Report Introduction

The Group is pleased to present its environmental, social and governance report for the year ended 31 December 2022. This report summarises the Group's strategies, performance and vision for environmental, social and governance issues.

Reporting Scope and Reporting Period

Unless otherwise stated, the environmental disclosures in this report cover the locations of the Group's main operating entities in the PRC, namely Hong Kong, Shenzhen, Shanghai, Beijing and Guangzhou. The Beijing Fenhao Huyu Technology Company Limited office covered in the previous reporting period ceased operations in December 2021 and is therefore not included in this report. The social disclosures in this report cover the locations of all operating entities of the Group in the PRC.

This report covers the year from 1 January 2022 to 31 December 2022, which is consistent with the financial year covered by this annual report.

Preparation Basis of this Report

This report was prepared in accordance with the disclosure obligations under the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules. This report has complied with all the compulsory disclosure requirements and "comply or explain" provisions, as well as the principles of materiality, quantitative, balance and consistency. The Group has adopted the emission factors and international standards set out in the environmental, social and governance guidance documents issued by the Stock Exchange in preparing this report in the same manner as in the previous year. For more information on the application of materiality reporting principles, please refer to the section headed "Materiality Assessment" in this report.

Contact Us

The Group values the opinions of the readers of this report. If you have any questions or suggestions about this report, you are welcome to give your feedback to the Company's investor relations team:

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By fax: (852) 2763 4168

By email: serenashen@cmge.com

Source of Information and Reliability Statement

The information disclosed in this report is sourced from the internal documents of the Group, statistical reports or relevant public information. The Group has confirmed that there are no false representations, misleading statements or material omissions in this report, and is responsible for the truthfulness, accuracy and completeness of its contents.

Confirmation and Approval

The Group's management team has confirmed to the Board that during the year ended 31 December 2022, the Group's risks management and internal monitoring system concerning environment, society and governance was effective.

This report was approved at the Board meeting held on 22 March 2023 at 13th Floor, 8 Wyndham Street, Central, Hong Kong. This report is available in both English and Chinese versions. If there is any inconsistency between the Chinese and English versions of this report, the Chinese version shall prevail. The electronic version of this report is available on the websites of the Stock Exchange www.hkexnews.hk and the Company www.cmge.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

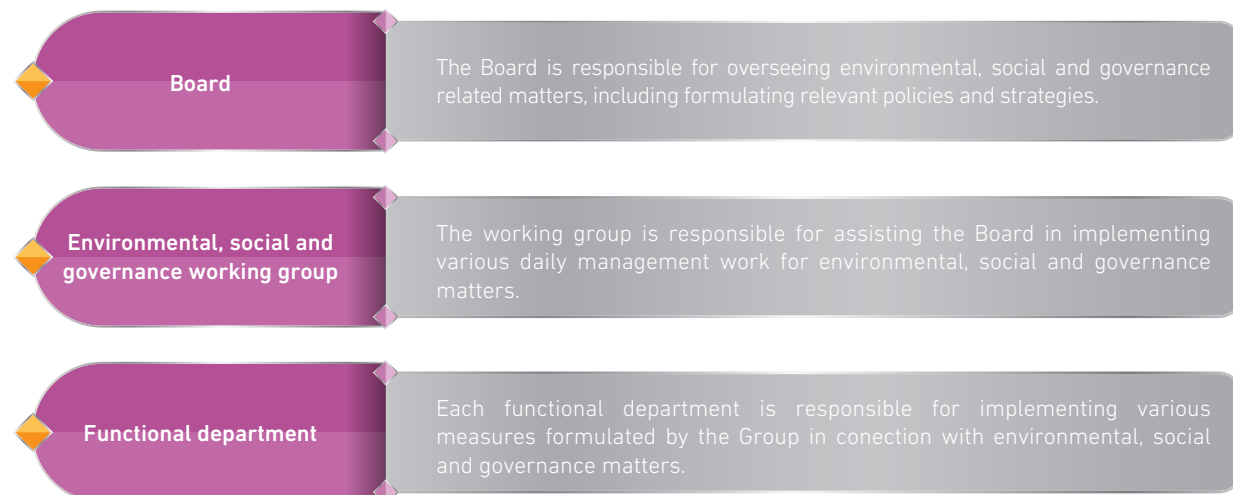
Statement of the Board

As a responsible corporate citizen, the Group adheres to the concept of sustainable development, actively fulfils its corporate social responsibilities, incorporates environmental protection and environmental management into its business decisions, and is committed to building a healthy and harmonious online and offline ecosystem by actively investing in its internet platform and carrying out charitable activities. In addition, the Group has been focusing on maintaining closer connections with different stakeholders, listening to the voices of gamers, caring for and growing with its employees, and taking on more social responsibilities.

The Group has established a governance structure to enhance its efforts in environmental, social and governance related works. The Board has an overall responsibility for the environmental, social and governance strategies and reporting matters of the Group and fully monitors the related risks and opportunities. The Board conducts an enterprise risk assessment at least once a year to identify, evaluate and monitor environmental, social and governance related risks in the ordinary course of business. The Board is also responsible for formulating the Group's environmental, social and governance related management approach, strategies and objectives, regularly reviewing the objectives set by the Group and its performance regarding such objectives and revising its strategies as appropriate. To carry through the concept of sustainable development and effectively manage environmental, social and governance matters, the Group has established an environmental, social and governance working group to assist the Board in overseeing and promoting the implementation of various environmental, social and governance strategies. The environmental, social and governance working group is also responsible for assisting the Board to identify and prioritise important issues, reporting to the Board regularly on the effectiveness of the environmental, social and governance system and the performance of the Group in relation to environmental and social key performance indicators, and preparing the annual environmental, social and governance report.

Going forward, the Board will continue to oversee and refine the Group's measures and performance on sustainable development in order to create long-term value for all stakeholders and the communities in which we operate.

Governance Structure



Stakeholder Identification and Communication

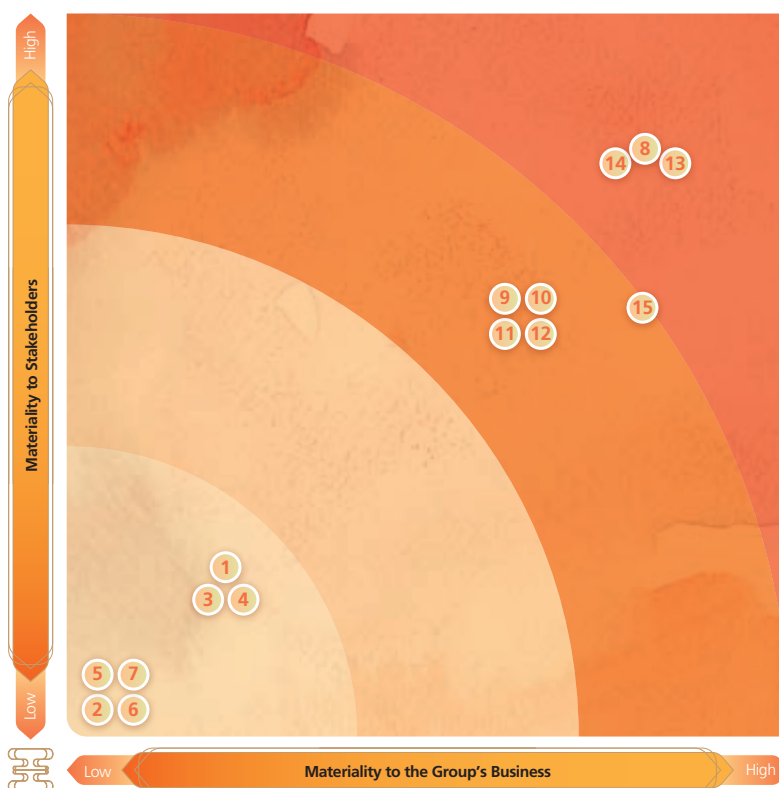
In the course of its operation, the Group continues to pay attention to the major issues that the stakeholders are concerned about. The Group understands the expectations and needs of its stakeholders through comprehensive and transparent communication, and continue to improve the Group's sustainable development strategies and plans based on the opinions of its stakeholders, so as to consolidate mutual trust and cooperative relationships, jointly realise its sustainable development plans, and create a future of sustainable economic growth, friendly environment and social development.

MAJOR ISSUES CONCERNING STAKEHOLDERS AND CORRESPONDING MEASURES

STAKEHOLDERS	KEY MATTERS OF CONCERN	COMMUNICATION CHANNELS
Shareholders and investors	• Business strategies • Investment return • Corporate image • Compliance operations	• General meetings • Announcements of the Company • Company's website
Government and regulatory authorities	• Compliance operations • Tax payment according to law • Information disclosure and reporting materials	• Announcements of the Company • Company's website
Industry associations	• Compliance operations	• Visits • Meetings • Seminars • Exchange activities
Suppliers and business partners	• Compliance operations • Quality of products and service	• Agreements • Tenders • Review and evaluation
Employees	• Remuneration and benefits • Working environment and safety • Diversification and equal opportunities • Training and room for career development	• Forums • Staff training • Group activities for employees • Staff satisfaction survey • Monthly magazine of the Company
Game players	• Product quality • Personal privacy protection	• Company's website • Online customer services • User service agreement • Online and offline promotion activities
Community	• Community development • Community services • Employment opportunities • Ecological environment	• Community activities • Volunteer activities • Media enquiries • Promotion activities • Community communication meetings • Press releases and announcements

MATERIALITY ASSESSMENT

In order to ensure that this report has comprehensively covered and responded to the key matters of concern to stakeholders, in addition to regular communication with stakeholders, the Group has made reference to certain information such as the matters covered in environmental, social and governance report of the previous year, internal policies of the Group, industry trends and the Materiality Map introduced by the Sustainability Accounting Standards Board, to identify issues that have potential and practical impact on the sustainable development of the Group. The Group has analysed and prioritised the environmental, social and governance issues based on certain factors such as its strategies, development and objectives, and the results are as follows:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

- 1 Exhaust gas and greenhouse gas emissions
- 2 Hazardous waste
- 3 Non-hazardous waste
- 4 Energy consumption
- 5 Water consumption
- 6 Environment and natural resources
- 7 Climate change
- 8 Employment
- 9 Employees' health and safety
- 10 Employees' development and training
- 11 Labour standards
- 12 Supply chain management
- 13 Product responsibility
- 14 Anti-corruption
- 15 Social responsibility

ENVIRONMENT

Emissions

As a game publisher and developer, the Group's business does not have a significant impact on the environment. However, the Group still pays attention to environmental protection. The Group has established environmental, social and governance policies and procedures, and has incorporated the concept of sustainable development into its daily management to enhance the environmental awareness of the employees of the Group. The Group strictly abides by relevant laws and regulations on environmental protection, including but not limited to the Environmental Protection Law (《環境保護法》), the Law on the Air Pollution Prevention and Control (《大氣污染防治法》), the Water Pollution Prevention and Control Law (《水污染防治法》), the Solid Waste Pollution Prevention and Control Law (《固體廢物污染環境防治法》) and the Energy Conservation Law (《節約能源法》) of the PRC.

Exhaust gas

The Group's ordinary course of business does not involve significant gaseous fuel consumption emissions. The most significant source of gas emissions of the Group is from vehicles owned by the Group. The types and volumes of these emissions during the year ended 31 December 2022 were as follows:

MAJOR EMISSIONS	UNIT	2022 VOLUME	2021 VOLUME
Nitrogen Oxides (NO _x)	kg	34.89	25.51
Sulphur Oxides (SO _x)	kg	0.09	0.07
Particulate Matter (PM)	kg	3.34	2.44

Due to the alleviation of the COVID-19 pandemic during the reporting period, as business activities have slightly increased, the use of vehicles has increased as compared to the previous reporting period. Therefore, the emissions of nitrogen oxides, sulphur oxides and particulate matter have all increased. The Group will continue to actively implement various vehicle management measures to reduce vehicle emissions, please refer to the section headed "Measures to mitigate emissions" in this report for details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Greenhouse gas

The direct greenhouse gas emissions of the Group mainly come from combustion of fuels by vehicles owned by the Group, while indirect greenhouse gas emissions mainly come from purchased electricity, paper disposal and business air travels by employees.

MAJOR TYPES OF EMISSIONS	UNIT	2022 VOLUME	2021 VOLUME
Scope 1			
Fuel combustion of vehicles:			
Carbon Dioxide (CO ₂)	Tonnes of carbon dioxide equivalent	14.89	10.89
Methane (CH ₄)	Tonnes of carbon dioxide equivalent	0.03	0.02
Nitrous Oxides (N ₂ O)	Tonnes of carbon dioxide equivalent	1.85	1.58
Total emissions from fuel combustion by vehicles	Tonnes of carbon dioxide equivalent	16.77	12.49
Scope 2			
Electricity ⁽¹⁾	Tonnes of carbon dioxide equivalent	689.36	640.52
Scope 3			
Waste paper	Tonnes of carbon dioxide equivalent	10.19	11.08
Business trips by employees	Tonnes of carbon dioxide equivalent	67.36	220.96
Total emissions	Tonnes of carbon dioxide equivalent	783.68	885.05
Total emission intensity	Tonnes of carbon dioxide equivalent/square metre ⁽²⁾	0.05	0.06

Notes:

(1) The greenhouse gas emission factors for purchased electricity were adopted from the grid emission factors included in Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines – Power Generation Facilities (《企業溫室氣體排放核算方法與報告指南-發電設施》) issued by the Ministry of Ecology and Environment (生態環境部) of the People's Republic of China and the 2020 Sustainable Development Report (《2020年可持續發展報告》) issued by HK Electric (港燈).

(2) The total office area of the Group was 15,890 square metres (2021: 15,456 square metres).

Comparing with the year of 2021, the total greenhouse gas emissions and total emission intensity during the reporting period both decreased. Despite the alleviation of the COVID-19 pandemic during the reporting period, as the epidemic situation in China was not completely stable, the number of business trips by employees has been significantly reduced as compared to last year and the total greenhouse gas emissions therefrom decreased during the reporting period. The Group's target of maintaining or reducing the intensity of total greenhouse gas emissions has also been achieved during the reporting period, based on the greenhouse gas emission target set in the previous year, which is the data of 2021. This demonstrated the effectiveness of the Group's series of vehicle management measures, energy saving policies and green measures.

The Group will continue to strive to reduce greenhouse gas emissions, aiming to achieve the target of maintaining or reducing the intensity of total greenhouse gas emissions in the next reporting year based on that of 2022.

Measures to mitigate emissions

In order to effectively reduce the emissions generated by the Group, the Group has adopted several measures for the management of vehicles, including but not limited to, reasonable use of vehicles, prohibition of the use of Group's vehicles for personal reasons and strict approval for long-distance travel arrangements to reduce unnecessary travel. The Group's vehicles are examined and maintained on a weekly basis to enhance fuel efficiency. Due to these measures, the Group has been maintaining a relatively low level of emissions, and such emission level does not pose significant environmental and social impacts.

Hazardous waste

In light of the Group's business nature, the Group does not produce any material hazardous waste in its ordinary course of business.

Non-hazardous waste

The solid emissions of the Group mainly come from various types of recyclable and non-recyclable daily office waste, such as paper, office supplies, plastics and epidemic prevention supplies like masks, generated from the offices of the Group.

Details of the emissions data of the Group during the year ended 31 December 2022 were as follows:

TYPE OF WASTE	UNIT	2022 VOLUME	2021 VOLUME
Non-hazardous waste	Tonnes	93.71	83.24
Non-hazardous waste intensity	Tonnes/number of employees	0.08	0.07

Comparing to the year of 2021, the COVID-19 pandemic during the reporting period has been alleviated, business activities have increased, and the reporting scope covers more office areas, and the total number of employees of the Group has reduced as compared to the previous reporting period. Therefore, the amount of non-hazardous waste discharged and its intensity during the reporting period has slightly increased.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Measures to reduce waste generation

The Group actively promotes Green Office practices, and adheres to the four “Rs” principle of environmental protection (Reduce, Reuse, Recycle, Replace) in its daily operation, aiming to minimise the generation of waste and maximise the efficient use of resources.

In terms of paper consumption, the Group promotes a paperless office, measures adopted included but not limited to the following:

- Double-sided printing is set for printers by default; employees are required to use double-sided photocopying and reuse single-sided paper for draft photocopying that without confidential information;
- Employees are encouraged to use online communication;
- Waste paper recycling bins are set up to separate waste paper for recycling; and
- Publications and information are released in digital version, such as the Group’s annual and interim reports.

During the year ended 31 December 2022, the papers recycled by the Group amounted to approximately 135 kg (2021: 130 kg). During the reporting period, the intensity of non-hazardous waste generated increased by 14% as compared to the previous year, which is mainly due to business growth as a result of the alleviation of the epidemic situation. The Group will strive to reduce greenhouse gas emissions, with an aim to achieve the emissions reduction target in the future.

The Group has adopted the above measures, with an aim to achieve the target of reducing the non-hazardous waste intensity by at least 5% in the next reporting year, on the basis of that in 2022.

Use of Resources

The Group’s energy consumption mainly comes from purchased electricity. The water consumption of the Group’s all offices located in Hong Kong, Shenzhen, Beijing, Guangzhou and Shanghai are charged as part of their property management fees without separate consumption data. Accordingly, the Group does not disclose water consumption data. For details of the energy efficiency policy and green practices adopted by the Group, please refer to the following section headed “Energy use efficiency” in this report.

Total energy consumption

TYPE OF ENERGY	UNIT	2022 CONSUMPTION	2021 CONSUMPTION
Fuels			
Total consumption	kWh	61,126.93	44,702.78
Electricity			
Total electricity consumption	kWh	1,203,426.30	1,046,304.30
Total energy consumption intensity ⁽¹⁾⁽²⁾	kWh/m ²	79.58	70.59

Note:

(1) The Group has a total office area of 15,890 m² (2021: 15,456 m²).

(2) The total energy consumption disclosed in the environmental, social and governance report for the previous reporting year only covered the total electricity consumption. The Group revised the total energy consumption in 2021 in accordance with the “Social and Governance Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange. Therefore, the comparative figures disclosed in this report are different from the disclosures in the environmental, social and governance report for the year ended 31 December 2021.

As the office area covered for the reporting scope for the year as compared to that of 2021 increased by 3%, and the COVID-19 pandemic during the reporting period has been alleviated, business activities have slightly increased and the use of vehicles has also increased as compared to the previous reporting period. As a result, the consumption of fuels and electricity increased, and thus the total energy consumption intensity increased.

Energy use efficiency

In terms of electricity consumption, the Group adopts low-consumption and recyclable energy-saving lights for office lighting to reduce its electricity consumption for lighting products and thus related carbon emissions. The Group has also posted notices near various power switches to encourage employees to switch off equipment and power when they leave the premises or when they are not using it. The temperature in the Group's offices is maintained at 24 degrees Celsius or above to reduce unnecessary energy use.

In terms of water consumption, the Group adopts various water-saving measures, such as cleaning staff regularly patrolling the toilets to prevent leakage of water taps. Reminders are posted in prominent places in toilets to remind employees to save water.

In terms of use of fuels, the Group has adopted certain energy-saving measures, please refer to the section headed "Measures to mitigate emissions" in this report.

Due to the above measures, the Group has been maintaining a relatively low level of electricity, water consumptions and fuels consumptions. Compared with 2021, the total energy consumption intensity during the reporting period has increased by 13%. The main reason is the business growth as a result of the alleviation of the pandemic. Although the level of total energy consumption will not have significant environmental and social impact, the Group still aims to achieve the target of maintaining or reducing the total energy consumption intensity in the next reporting year, on the basis of that in 2022.

Suitable water sources

The Group has not encountered any difficulties in sourcing suitable water sources, and each of its offices has a stable water supply which meets its daily operational needs.

Packaging materials

In light of the Group's business nature, the Group does not involve any material usage of packaging materials in its ordinary course of business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environment and Natural Resources

The Group does not have significant impacts on environment or natural resources in its daily operation. The Group has always adhered to the principle of environment and natural resources protection in the course of its operations, complied with environmental, social and governance policies and procedures, applied relevant energy saving policies and green measures, and strived to avoid causing significant impacts on the environment or over-consumption of natural resources.

Climate Change

In response to international concerns about climate change, the Group has included climate change related risks as one of its environmental, social and governance issues, and has made relevant disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures.

The Group's analysis of potential financial risks brought by climate change and response strategies are as follows:

Risk types	Possible financial impacts Low ☐ Medium ☐ High ☐	Short-term (this reporting period)	Medium-term (1 to 3 years)	Long-term (4 to 10 years)	Response strategies
Physical risks	<u>Acute</u> Extreme weather conditions such as increased flooding resulting in asset losses or supply chain disruptions				Developing safety rules and contingency plans in response to extreme weather conditions
	<u>Chronic</u> Electricity consumption increases due to continuous hot weather, which in turn affects operating costs				Adopting energy saving policies and green measures to avoid excessive consumption of natural resources
Transition risk	<u>Policies and regulations</u> More stringent climate policies and regulations (such as stricter power constraints) may increase compliance costs and operating costs				Strictly implementing emission reduction measures (e.g. vehicle management measures) to maintain a low emission level
	<u>Market</u> Revenue declines as consumers shift to products that are more active in incorporating environmentally friendly concepts into their games				Adhering to the Group's concept of sustainable development, strictly controlling the game publishing process and striving to produce high-quality products to meet consumer and market expectations

Although the climate change risks identified by the Group do not have a significant impact on its business, the Group also reviews the potential impact of climate change on its business on an annual basis and adopts corresponding measures to mitigate any potential risks.

SOCIAL

Employment

The Group firmly believes that its employees are the most valuable assets of an enterprise and one of the most important factors for the sustainable development and success of the Group. The Group strictly complies with all employment-related laws and regulations, including but not limited to the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Labour Law of the PRC (《中華人民共和國勞動法》), the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》), the Law on the Protection of Rights and Interests of Women (《婦女權益保障法》), Provisions of the State Council on Working Hours of Workers and Staff (《國務院關於職工工作時間的規定》), the Law on the Protection of Disabled Persons (《殘疾人保障法》) and the Social Insurance Law of the PRC (《社會保險法》).

The Group has adopted policies such as the Employee Handbook (員工手冊), the Management System of Employee Recruitment, Departure and Re-designation (員工入職離調管理制度), and the Employee Development Management Measures (員工發展管理辦法) to regulate the workflow of recruiting, induction and training, employee transfers, dismissals and promotions, in order to standardise its workflow and improve its efficiency. The Group is committed to creating a corporate culture centred on the "battleman (戰功者)", providing the "battleman" with an innovative working environment, and providing business-oriented and market-competitive remuneration and incentive systems. It is also committed to building diverse and non-discriminatory inclusive working environments, strictly forbids any harassment and inappropriate behaviour, provides a promotion and development system for career ranks, and creates a fair, equal, respectful and open corporate development environment, so that the value of the Group's talents can be reflected on, assessed and rewarded fairly. The Group ensures that employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status or family status during recruitment and promotion.

The Group recruits talented candidates with good attributes based on its business planning and needs, and uses structured interview tools, such as written tests and background checks as far as possible, to assess candidates for positions at junior manager level or above, so as to maintain the fairness of recruitment and avoid the subjective personal judgement of interviewers on the strengths and weaknesses of the candidates. The Group also highly values career management of its employees, and accordingly has set up two development paths for employees, namely the professional and management paths. The Group provides two opportunities for applying for job promotion each year, in order to encourage its employees to fully realise their career development potential.

The Group invests resources to attract, retain and motivate talents. By providing employees with competitive remuneration packages and benefits, the Group hopes to attract high-calibre talents in the market and motivate its existing employees. The Group regularly reviews the remuneration package of its employees and makes necessary adjustments to conform to market expectations. The Group's employees work 8 hours per day, 40 hours per week on average and at least 1 day off per week. In addition to basic salary, statutory social insurances and housing fund, as well as basic statutory festive holidays and public holidays, the Group's employees are also entitled to welfare leave and additional welfare allowances, including but not limited to:

- meal allowance and afternoon tea;
- snack store selling at half-price;
- birthday gifts;
- festival gifts;
- red packets for Lunar New Year;
- fitness programme; and
- annual medical checkup.

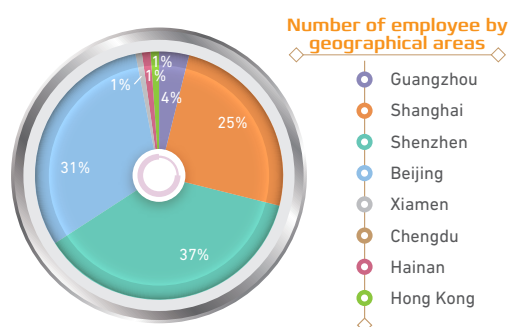
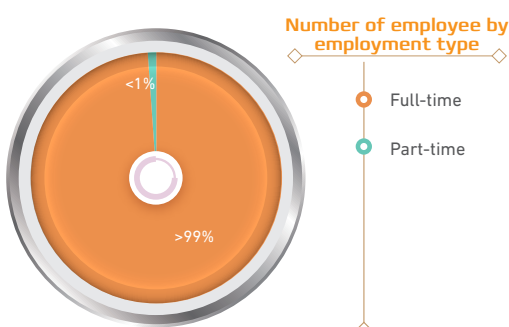
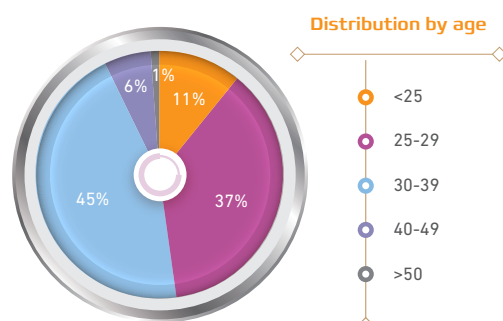
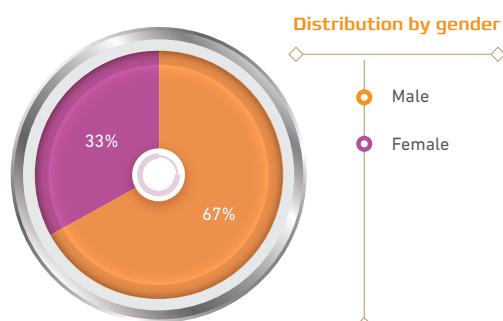
In order to enhance team cohesion and create a harmonious working atmosphere, the Group regularly organises various holiday activities and group gatherings, such as birthday parties, sports days, International Women's Day, Children's Day and overseas tours.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total number and classification of employees

As at 31 December 2022, the total number of employees of the Group was 1,165, and the details of employees are as follows:

TOTAL NUMBER OF EMPLOYEES	
Total number of employees	1,165
Gender distribution of employee	
Female	382
Male	783
Age profile	
<25	126
25-29	433
30-39	526
40-49	73
>50	7
Number of employees by employment types	
Full-time	1,163
Part-time	2
Number of employees by geographical areas	
Guangzhou	41
Shanghai	291
Shenzhen	429
Beijing	367
Xiamen	14
Chengdu	6
Hainan	8
Hong Kong	9



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Employee turnover ratio

Details of the employee turnover rate of the Group as at 31 December 2022 were as follows:

TOTAL EMPLOYEE TURNOVER		
	Number of employees	% of total number of employees
Total turnover	391	34%
Distribution by gender		
	Number of employees	% of employees turnover by gender
Female	137	36%
Male	254	32%
Distribution by age		
	Number of employees	% of employees turnover by age
<25	38	30%
25-29	159	37%
30-39	171	33%
40-49	22	30%
>50	1	14%
Number of employee turnover by geographical areas		
	Number of employees	% of employees turnover by geographical area
Guangzhou	75	183%
Shanghai	60	21%
Shenzhen	153	36%
Beijing	95	26%
Xiamen	2	14%
Chengdu	1	17%
Hainan	5	63%

HEALTH AND SAFETY

The Group strictly complies with the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Law on the Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》), the Provisions on the Supervision and Administration of Occupational Health at Work Sites (《工作場所職業衛生監督管理規定》) and other applicable laws and regulations in the PRC. As for laws and regulations regarding occupational health standards and safe production in the PRC, the Group did not record any material non-compliance during the year ended 31 December 2022. Due to the nature of the Group's business, employees mainly work in the office and the chance of encountering work-related injuries is low. Therefore, the Group did not have any serious work-related injuries and death for the past three years, including this reporting period. The Group has established various occupational health and safety measures including purchase of commercial medical and accident insurance, health check-ups for employees and safety guidelines for staff induction training to enhance their safety awareness.

In addition, to create and maintain a good, comfortable and healthy working environment, the Group has implemented a series of policies, including:

- to maintain accessibility of emergency exits in workplace;
- to provide adequate illumination and moderate temperature in workplace;
- to ensure no smoking is allowed in workplace; and
- to conduct safety inspections and fire drills regularly in workplace.

In addition to maintain a safe and comfortable working environment, the Group understands the importance of work-life balance and has therefore implemented relevant measures to encourage employees to make good use of their leisure time. The Group organises various recreational activities for its employees, including holiday activities, weekend ball games and overseas trips, to build up a sense of belonging and team spirit among its employees. The Group also regularly organised various

health clubs, including fitness club, yoga club, basketball club, badminton club and football club, to provide employees with various sports programmes, which are beneficial to their physical and mental health. However, during the COVID-19 pandemic, to ensure the safety of employees and the community, the Group temporarily suspended recreational and health clubs activities where people gathered, to reduce social contact and prevent the spread of virus in the community.

During the outbreak of the COVID-19 pandemic, the Group has set up an epidemic prevention and control team to ensure the health and safety of our employees and their families, and has taken relevant countermeasures:

- to arrange employees to work from home;
- to clean and sterilise workplace on a regular basis to keep environment clean;
- to establish employees' health records, measure and record the body temperature of all employees entering the workplace, and require the employees to report their travel history; and
- to provide employees with epidemic prevention supplies, such as medical surgical masks, hand sanitiser and disinfectant hand rub.

DEVELOPMENT AND TRAINING

The Group values talent training and believes that employees will continue to grow along with the Group's business expansion, and provides targeted, systematic and forward-looking training for employees to ensure that they can quickly meet the needs of relevant positions and explore their potential to support the sustainable development of the Group. At the same time, the Group believes that the skills and experience of employees are important factors for the long-term development of the Group. Therefore, in addition to the Employee Handbook (員工手冊) and the Employee Development Management Measures (僱員發展管理辦法), the Group has also adopted the Training Management Measures (培訓管理辦法) to enhance employees' work performance through effective training, coaching and on-the-job development. In addition, the Group has sufficient training opportunities for employees of different departments and levels every year.

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The training of the Group mainly divided into internal training and external training. The Group provides necessary internal training for relevant operational positions based on the development needs of the Group, including internal sharing among departments, cross-department sharing and training. The Group also commissioned external professional training providers to provide professional training courses, including induction training, external training, and certification training involving enterprise qualification certification, to the Group's technical staff.

In addition, the Group provides different types of training for employees of different ranks, such as training for new employees recruited publicly, training for new employees recruited from schools and training for trainees. The Group provides position-based vocational training, including general ability training and professional ability training. The Group also provides leadership development training, including project manager training (professional direction), high potential mandatory training (management direction), cadre training and senior management training.

Details of the staff training of the Group for the year ended 31 December 2022 were as follows:

STAFF TRAINING		
	Number of employees	% of total number of employees
Total number trained	608	52%
Gender		
	Number of employees	% of total number of employees trained
Female	213	35%
Male	395	65%
Type of employees		
	Number of employees	% of total number of employees trained
Junior staff	540	89%
Middle and senior staff	68	11%
Training hours		
Total hours (hours)	7,453	
Average training hours completed (by gender)		
Female (hours)	11.70	
Male (hours)	3.81	
Average training hours completed (by type of employees)		
Junior staff (hours)	6.44	
Middle and senior staff (hours)	6.08	

Labour Standards

The Group resolutely resists and opposes any form of employment of child labour and forced labour, and strictly complies with applicable PRC laws and regulations, including the Labour Law of the PRC (《中華人民共和國勞動法》), the Law on the Protection of Minors (《未成年人保護法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》) when recruiting employees so as to protect their legitimate rights and interests.

The human resources department of the Group strictly monitors the recruitment process, conducts background checks on its job applicants and verifies their credentials, and will not employ any candidates if they are found not suitable. Any use of false document will be deemed as fraudulent and any related signed labour contract will be deemed invalid. The human resources department of the Group regularly monitors and reviews the applicable labour laws and regulations in order to ensure compliance with local labour requirements including avoiding employment of any child and forced labour.

During the year ended 31 December 2022, the Group did not use any child labour or forced labour or receive any related complaints.

Supply Chain Management

The Group understands that supply chain management has an inseparable relationship with its sustainable development, and is therefore committed to establishing a long-term and harmonious cooperation relationship with its suppliers. The Group expects its suppliers to uphold the principles of integrity and pragmatism, and provide products and services in strict compliance with the requirements of applicable laws and regulations.

In order to standardise the procurement procedures of products and services and strengthen the monitoring and management of suppliers, the Group has adopted the Procurement Management System (採購管理制度) specifying the relevant approval procedure through a preliminary review of standardised suppliers' information, screening, information database management, examination of suppliers and selecting suppliers to properly manage the environmental and social risks of the Group's supply chain.

When selecting potential suppliers, the supplier investigation team, comprising the requesting department, and members from the Group's finance, internal audit and administration departments, will conduct a preliminary investigation on the candidates from different channels to understand the scale of the suppliers, their professional qualifications, speed of response, service quality and reputation in the industry. Suppliers are included in the list of qualified suppliers only after passing the inspection by the supplier investigation team. Considering the potential environmental and social impacts of the supply chain, the Group takes into account environmental protection, occupational health and safety, labour rights and compliance with laws and regulations when selecting potential suppliers, with an aim to bringing positive impacts to the entire supply chain. For example, when inviting bids from travel suppliers, the Group requires the bidders to comply with the Bidding Law of the PRC (《中華人民共和國招標法》) and the Procurement Law of the PRC (《中華人民共和國採購法》) in the bidding process. Bidders are also required to protect the safety of employees in accordance with the Labour Law of the PRC (《中華人民共和國勞動法》) and the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》). The Group also requires its bidders to pay taxes according to law.

To ensure the quality of suppliers, the Group closely monitors the performance of suppliers and reviews approved suppliers on an annual basis. The performance of suppliers is assessed based on price, quality, delivery schedule and volume, service and other aspects. In addition, the Group will also continuously evaluate and monitor suppliers for their track record of handling social issues in the past. For suppliers who fail to meet the standards of the Group, the cooperation with these suppliers will be terminated after the Group rated them as "rectification is needed" for two consecutive times.

For the year ended 31 December 2022, the Group has 39 major qualified suppliers, all of which are located in Mainland China.

Product Responsibility

The Group believes that maintaining good game services is crucial to its sustainable development and is the key to its success. Therefore, the Group is committed to publishing high-quality games and having stringent game selection procedures to ensure better gaming experience for players. The Group continues to improve its technical services and player services and provides valuable technical support to game developers according to their specific needs. The Group also continues to implement its long-term strategies, including improving service quality by analysing the data collected and enhancing player loyalty and satisfaction by improving the quality of the games based on the Group's understanding of player preferences. The Group will upgrade the data collection system and big data platform to more accurately analyse player behaviour and more effectively monetise the value of games. The Group also enhanced its game development capabilities by investing more in research and development. In addition, the Group has established a comprehensive game development and publishing process, and will produce the display version of its games and conduct multiple rounds of testing before the games are officially approved for publishing to ensure the quality of the games and player experience.

In recent years, the Group has promoted national culture through innovative game forms, and at the same time closely followed relevant national guidelines and policies, focusing on the inheritance of traditional culture, in order to build the Group into a Chinese game brand with worldwide influence.

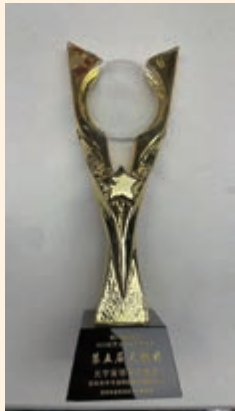
The Group has accumulated a closed loop of IP game ecosystem of "IP resources – self-development and joint development – global publishing – proprietary IP operation – Chinese-style metaverse platform (IP資源-自主研發與聯合研發-全球發行-自有IP運營-國風元宇宙平台)", and the games launched with IP as the core have received tremendous support and numerous recognitions from game players and business partners. As one of the world's leading IP-based game operators, the Group and its games have received various awards on different ceremonies. Awards and honours received by the Group and its games during the reporting year are as follows:

Ceremony	Organiser	Game/enterprise/ entrepreneur	Award/honour
Future Business Ecolink Conference 2022 cum the 7th "Golden Gyro Awards" (2022未來商業生態鏈接大會暨第七屆「金陀螺獎」)	Tuoluotech (陀螺科技)	The Group	Influential Game Enterprise of the Year Award (年度影響力遊戲企業獎)
		The King of Fighters: All Stars (全明星激鬥)	Popular IP Game of the Year Award (年度人氣IP類遊戲獎)
CLS Investment Summit of 2022 (2022財聯社投資峰會)	Cailianshe (財聯社)	Sword and Fairy: World (仙劍世界)	Metaverse Industrial Application and Pioneering Technology Potential Top 100 2022 (2022元宇宙產業應用與先鋒技術百強名單)

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Ceremony	Organiser	Game/enterprise/entrepreneur	Award/honour
Golden Grape Award 2022 (2022年金葡萄獎)	Youxiputao (遊戲葡萄)	The Group	Most Watched Enterprise of the Year (年度最受關注企業)
The 8th World Innovators Meet (第八屆WIM大會)	Zhongguancun National Innovation Demonstration Zone Exhibition Center (中關村國家自主創新示範區展示中心), Zhongguancun Exhibition and Service Industry Alliance (中關村會展與服務產業聯盟) and Yiou (億歐)	Sword and Fairy: World (仙劍世界)	Metaverse Innovation and Technology Enterprises of China Top 30 2022 (2022中國元宇宙創新科技企業Top 30)
The 18th Chinese Game Industry Annual Conference (第十八屆中國遊戲行業年會)	China Culture and Entertainment Industry Association (中國文化娛樂行業協會), Chengdu Municipal People's Government (成都市人民政府)	The Group	Outstanding Enterprise in the Chinese Game Industry 2022 (2022年度中國遊戲行業優秀企業)
			Advanced Game Operation Unit in the Chinese Game Industry 2022 (2022年度中國遊戲行業遊戲運營先進單位)
		Dynasty Warriors: Hegemony (真·三國無雙霸) and The King of Fighters: All Stars (全明星激鬥)	Outstanding Mobile Game in the Chinese Game Industry 2022 (2022年度中國遊戲行業優秀手機遊戲)
		Legend of Sword and Fairy 7 (仙劍奇俠傳七)	Outstanding Online Game in the Chinese Game Industry 2022 (2022年度中國遊戲行業優秀網路遊戲)
		Xiao Jian, Executive Director, Chairman and Chief Excutive Officer of the Group	Outstanding Entrepreneur of China's Game Industry 2022 (2022年度中國遊戲行業優秀企業家)

Ceremony	Organiser	Game/enterprise/entrepreneur	Award/honour
The 21st China Internet Conference (第二十一屆中國互聯網大會)	Hosted by the Ministry of Industry and Information Technology (工業和信息化部) and People's Government of Shenzhen Municipal (深圳市人民政府), organised by the Internet Society of China (中國互聯網協會), Guangdong Communications Administration (廣東省通信管理局), and Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局)	The Group	Chinese Internet Industry Award of Outstanding Self - Regulation and Philanthropy 2021-2022 (2021-2022年度中國互聯網行業自律貢獻和公益獎) 

Ceremony	Organiser	Game/enterprise/entrepreneur	Award/honour
The 5th Hato Award (第五屆天鵝獎)	Ministry of Commerce (商務部), Ministry of Science and Technology (科學技術部), Ministry of Industry and Information Technology (工業和信息化部), National Development and Reform Commission (國家發展改革委), Ministry of Agriculture and Rural Affairs (農業農村部), National Intellectual Property Administration (國家智慧財產權局), Chinese Academy of Sciences (中國科學院), Chinese Academy of Engineering (中國工程院) and People's Government of Shenzhen Municipality (深圳市人民政府)	The Group	Metaverse Leading Enterprise Award (元宇宙領軍企業獎) 

Ceremony	Organiser	Game/enterprise/entrepreneur	Award/honour
The 2nd Shenzhen Service and Trade Innovation Achievement Exhibition and Shenzhen Service and Trade Innovation Development Conference (第二屆深圳服務貿易創新成果展覽暨深圳服務貿易創新發展大會)	Commerce Bureau of Shenzhen Municipality (深圳市商務局)	The Group	Shenzhen Service and Trade Industry Leadership Award (深圳市服務貿易行業領軍獎) 
"Golden Diamond Award" at the Association of Game Industry of Guangdong Annual Conference 2022 (2022年廣東遊戲產業年會暨「金鑽榜」)	Association of Game Industry of Guangdong (廣東省遊戲產業協會)	Dynasty Warriors: Hegemony (真·三國無雙霸)	Best Game for Going Overseas 2022 (2022最佳出海遊戲) 
		The Group	Social Responsibility Award 2022 (2022社會責任獎) 
		The Group	Outstanding Contribution Award 2022 (2022年度突出貢獻獎) 

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Ceremony	Organiser	Game/enterprise/entrepreneur	Award/honour
List of Enterprises by Xueqiu 2022 (2022雪球年度金榜)	Xueqiu (雪球)	The Group	Potential Listed Company Top 100 2022 (2022年度潛力上市公司100榜)
The 9th Game Appreciation Awards (第九屆遊戲行業「金口獎」)	yxb.net (遊戲日報)	The Group	Outstanding Game Company of the Year 2022 (2022年年度優秀遊戲公司)
The 10th CEO Annual Conference cum "Golden Tea Awards" (第十屆CEO年會暨「金茶獎」)	Youxichaguan (遊戲茶館)	Dynasty Warriors: Hegemony (真·三國無雙霸)	Best Game for Going Overseas 2022 (GTA2022最佳出海遊戲)
Shenzhen Top 500 Enterprises 2022 (2022深圳企業500強榜單)	Enterprise Association of Shenzhen (深圳市企業聯合會) and Entrepreneur Association of Shenzhen (深圳市企業家協會)	The King of Fighters: All Stars (全明星激鬥)	The Best Mobile Games of 2022 (2022年度最佳移動遊戲)
		The Group	Shenzhen Top 500 Enterprises 2022 (2022深圳企業500強)
Guangdong Top 500 Enterprises 2022 (2022廣東企業500強榜單)	Enterprise Association of Guangdong (廣東省企業聯合會) and Entrepreneur Association of Guangdong (廣東省企業家協會)	The Group	Guangdong Top 500 Enterprises 2022 (2022廣東企業500強)
Outstanding Game Selection 2022 (Golden Plume Award) (2022年度優秀遊戲評選大賽 (金翎獎))	Shanghai Hanwei Xinheng Exhibition Co., Ltd (上海漢威信恒展覽有限公司) of Shunwang Technology (順網科技)	The Group	Most influential Mobile Game Publisher (最具影響力移動遊戲發行商)
		The King of Fighters: All Stars (全明星激鬥) and Rakshasa Street: Chosen One (鎮魂街:天生為王)	Gamers' Most Anticipated Online Mobile Game (玩家最期待的移動網路遊戲)
Star of Analysys 2022 (2022易觀之星)	Analysys (易觀分析)	The Group	Excellent Digital Enterprise 2022 (2022年度卓越數位化企業)
China Listed Companies Investment Value Summit and China Investment Fund Stars Summit 2022 (2022年中國上市公司投資價值峰會暨中國投資基金群星峰會)	China Industrial Cooperation Association (中國工業合作協會), Jian Financial Information (濟安金信) and TMTPOST (鈦媒體)	The Group	Best Internal Governance Listed Company (最佳內部治理上市公司)

The Group will launch more quality IP-based games to reward and meet the expectations of players and the market.

The Group takes active and effective measures to protect the physical and mental health of minors, which include launching and implementing the Parents' Guardian Project of Minors Online Games (網絡遊戲未成年人家長監護工程) by setting up special monitoring channels for parents on the homepage of games to guide the healthy participation of minors in online games. In addition, the Group participated in the research and development of four group standards, namely, Game Age- Appropriate Tips Specification (《遊戲適齡提示規範》), Parental Monitoring Platform Specification (《家長監護平台規範》), Online Game Terminology (Group Standards) (《網絡遊戲術語》團體標準) and Game Enterprise Content Self-assessment Process Specification (《遊戲企業內容自審流程規範》), and worked with departments such as the Publicity Department of the Communist Party of China (中共中央宣傳部), China Press and Publication Research Institute (中國新聞出版研究院) and enterprise representatives of the drafting group to promote the standardisation of the industry, so as to facilitate the healthy development of the game industry. At the same time, all games of the Group have adopted a real-name authentication system, an anti-addiction system and an age reminder, and strictly implemented the Notice on Further Strict Management and Practically Preventing Minors from Indulging in Online Games (《關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知》) issued by the National Press and Publication Administration on 30 August 2021. Only one hour of online game services will be provided to minors from 8:00 p.m to 9:00 p.m. on Fridays, Saturdays, Sundays and statutory holidays, with a view to fully protecting the healthy growth of minors.

The Group also established the Game Content Risk Prevention and Control Standards and Procedures (《遊戲內容風險防控標準及流程》), and is committed to comply with laws and regulations related to product responsibility, which include the Provisions on the Administration of Online Publishing Services (《網絡出版服務管理規定》), Mobile Game Content Standards (《移動遊戲內容規範》) and the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》),

while ensuring that all games have obtained the Online Publishing Service License (《網絡出版服務許可證》). The advertisements released by the Group were also in line with the relevant regulatory requirements, including the Advertising Law of the PRC (《中華人民共和國廣告法》).

During the year ended 31 December 2022, the Group did not receive any material complaints and compensation requests from audiences and customers as a result of deceptive, unfair or inappropriate contents, poor service quality or recall game products due to safety reasons related to the Group.

Service complaints and responses

In order to establish a good relationship and mutual trust with the players, the Group has established a written customer complaint handling procedure, which is handled by the Group's customer service department, to deal with players' enquiries and complaints. The customer service representatives will handle customers' complaints and requests with patience. Every complaint will be recorded in a standardised customer complaint record, which includes work order number, game name, user source, label of the work order, staff code of customer service representative, processing time of work order, complaint content and the handling results, in order to facilitate the customer service department to follow up and improve in the future, and to also serve as a source of information for the Group to improve its game quality continuously.

Intellectual property rights

Intellectual property rights are extremely important to the business of the Group and the Group is committed to protecting its intellectual property rights. The Group's copyright centre is responsible for monitoring the risk of infringement of its intellectual property rights. The Group stringently controls the authorisation procedures of its IP. Before entering into an IP licensing agreement, the copyright centre conducts independent background checks on the identity of the legal owner of the IP. For games developed based on IP licensed from game developers, the copyright centre also requires the game developers to provide authorisation letters issued by the IP owners to the Group. Before entering into a game licensing agreement, the copyright centre requires the relevant game developer

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to provide its software copyright registration certificate, and such game licensing agreement also contains an undertaking by the game developer as the legal owner of the game copyright. The Group has established the Measures for the Administration of Trademarks and Computer Software Copyright (商標及電腦軟件著作權管理辦法) to regulate the application process of its trademarks and copyrights. The Group has also included information such as application number, application date and duration of the software copyrights and trademarks of the Group in a Copyright List (著作權清單).

In order to continuously monitor the abuse of the Group's IP rights by others, the business department of the Group regularly searches for the application market and distribution platforms to identify any potential infringement of the Group's games. Once a game infringement is discovered, the business department collects and compiles evidence and submits such evidence to the relevant application market or publishing platform in order to request for removal of the infringing games. If the application market or publishing platform fails to remove the infringing games within the prescribed period, the Group will issue a lawyer's letter to them. The Group will also consider initiating legal proceedings against infringing application market or distribution platforms and infringing game developers.

Privacy protection policy

The Group emphasises the protection of personal data to safeguard business and personal privacy by strictly implementing the Personal Information Protection Law (《個人信息保護法》). To this end, the Group has formulated the Information Security Management System (資訊安全管理系統) to regulate the organisation, storage, confidentiality and use of files to reduce the risk of data leakage. Employees are required to keep the information and data necessary for their work properly and keep them confidential. Important information, electronic files and important data are backed up regularly to prevent data loss due to mechanical failure or accidental deletion. In addition, the Group has clearly stated in its Employee Handbook (員工手冊) that employees must keep the Group's information strictly confidential, and must not disclose confidential information of the Group to other unrelated employees or external parties. In the event that the leakage of the

Group's confidential information results in losses to the customers and the Group, the Group will impose penalties or initiate legal proceedings in accordance with the Group's internal stringent procedures to protect the interests of the Group and its customers. The Group strictly adheres to Network Security Law (《網絡安全法》), and there were no incidents of non-compliance in relation to data privacy during the year ended 31 December 2022.

Improving network security management

In order to reduce the Group's exposure to cyber-attacks, the Group has developed a series of network security management measures, including prohibition of (i) employees from browsing or logging on unknown illegal websites, browsing illegal information and sending or receiving emails related to the above contents; (ii) downloading and installing virus spreading and hacker programmes on the Internet or by disks; (iii) unauthorised access to computer systems to change system information and user data; and (iv) any form of attack of computers or servers of the Group. All computer equipment must be installed with anti-virus software on a uniform basis, and no measures such as unauthorised anti-virus software and personal firewalls are allowed to be installed in computers without the consent of the Group's technology centre.

Anti-corruption

The Group strictly complies with the relevant laws and regulations, including the Anti-Money Laundering Law (《反洗錢法》), the Anti-Unfair Competition Law (《反不正當競爭法》) and the Criminal Law of the PRC (《刑法》), and adheres to the fundamental standards of integrity and self-discipline. The Group has formulated the Anti-fraud and Reporting Management System (《反舞弊與舉報管理制度》) to prevent fraud in corporate operation and reduce operational risks of the Group. All Directors of the Group have received corporate governance training provided by the Group before listing or in induction, so that the Directors would clearly understand their responsibility and exercise their fiduciary duties. The Group also encourages the Directors to participate in continuous professional development activities, and will arrange relevant trainings according to the actual needs. To strengthen and reinforce the awareness and understanding among our employees and Directors, of the relevant regulations, the Group provided quarterly training programmes to its employees

on offering bribes to a non-governmental functionary. For the year ended 31 December 2022, the Group provided 4 sessions of anti-corruption trainings.

The Group's Employee Handbook (員工手冊) clearly states the business conducts and professional ethics that employees should strictly follow, and prohibits any act of bribery, insider trading and fraud. The Group offers new employee induction training at the time when employees join, which includes trainings in relation to basic employee ethics, such as anti-corruption trainings.

If any employee discovers any violation, he/she can report to the Group's head of internal audit department, either named or anonymously, through the reporting hotline or e-mail provided by the Group, and will be rewarded according to the Anti-fraud and Reporting Management Policy (《反舞弊與舉報管理制度》). The department is responsible for investigating and collecting evidence and submitting the same to the Audit Committee. The head of the internal audit department will determine the corresponding penalties for the violations based on the nature, severity and evidences obtained.

During the year ended 31 December 2022, the Group was not aware of any violations of corruption, bribery, extortion, fraud or money laundering related to the Group.

Community Investment

The Group upholds the philosophy of "earnestly fulfilling social responsibilities and actively carrying out community activities" and regards community activity as an important part of its corporate culture. Since the Group engages in game licensing and publishing business, the Group focuses on the charity for the youth and gives back to the society with a grateful heart.

Since 2018, the Group has cooperated with China Population Welfare Foundation (中國人口福利基金會) and Wuxi Lingshan Foundation (無錫靈山慈善基金會) to carry out a series of public welfare activities, aiming to set up at least 10 "CMGE Dream Libraries (中手游築夢圖書館)" across China, so that local students can further enhance their learning interests on the basis of meeting their daily

reading needs. As of the end of the reporting period, a total of 10 "CMGE Dream Libraries (中手游築夢圖書館)" have been built and put into use in Yunan of Guangdong, Zhengding of Hebei, Meihekou of Jilin, Yangchun of Guangdong, Jishan of Shanxi, Pingxiang of Jiangxi, Lu'an of Anhui, Enshi of Hubei, Jiyuan of Henan and Heyuan of Guangdong. Among them, the latest library in Heyuan of Guangdong completed in June 2022 was the first library with donation ceremony conducted online, marking a special milestone in the history of CMGE's community services.



In addition to the public welfare construction and activities to promote the reading culture, the Group has conducted several community volunteer activities during the reporting period due to the alleviation of the COVID-19 pandemic in China. In March 2022, to support Hong Kong in combating the pandemic during the outbreak of COVID-19, the Group donated RMB1.0 million equivalent to pandemic relief organisations in Hong Kong to assist in the procurement of anti-pandemic supplies and empower the vulnerable groups such as elderly and children in Hong Kong who lacked anti-pandemic supplies.

Besides, the Group is committed to nurturing young artists. Since 2021, the Group entered into school-enterprise cooperation contracts with the School of Digital Arts (數字藝術學院) under Xi'an University of Posts and Telecommunications (西安郵電大學) and Guangzhou Huashang Vocational College (廣州華商職院), respectively, and up to the end of the reporting period, the Group has committed to providing a broader practical platform for

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students and cultivated more outstanding art creative talents. In the future, the Group will establish long-term school-enterprise cooperation partnerships with more colleges and universities in various regions to support and develop together, so as to contribute new forces into the development of the game industry.

As a result of its outstanding performance in corporate social responsibility, the Group has been awarded a number of social responsibility related awards, including the "Social Responsibility Award 2022 (2022社會責任獎)" in the "Golden Diamond Award (金鑽榜)" organised by the Association of Game Industry of Guangdong (廣東省遊戲產業協會) under the guidance of the Department of Culture and Tourism of Guangdong Province (廣東省文化和旅游廳) and the Guangdong Press and Publication Administration (廣東省新聞出版局); the "Chinese Internet Industry Award

of Outstanding Self-Regulation and Philanthropy 2021-2022" (2021-2022年度中國互聯網行業自律貢獻和公益獎) at the 21st China Internet Conference (第二十一屆中國互聯網大會) hosted by the Ministry of Industry and Information Technology (工業和信息化部) and the People's Government of Shenzhen Municipal (深圳市人民政府) and organised by the Internet Society of China (中國互聯網協會), the Guangdong Communications Administration (廣東省通信管理局) and the Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局). The Group will continue to contribute to the future prosperity and growth of the youth, promote the established social welfare projects and continue to explore more different social and cultural activities, so as to establish a healthy and positive corporate image for the game industry.



The Group donated 1,000 rapid antigen test kits and 200 data sim cards to Pui Kiu College.



The Group donated scholarship to Hong Kong Design Institute and Hong Kong Institute of Vocation Education.



The Group donated 4,000 rapid antigen test kits to Fresh Fish Trader's School.



The Group donated 5,000 anti-epidemic masks and 2,000 pairs of medical gloves to Aldrich Bay Residents Association.



The Group sponsored the 16th Pan-Pearl River Delta University Student Projects Competition.



The Group sponsored Qianhai Guangdong - Hong Kong - Macau - Taiwan Youth Innovation and Entrepreneurship Competition.

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General disclosures and key performance indicator(s) ("KPI(s)") set out in the Environmental, Social and Governance Reporting Guide of the Stock Exchange:

Items		Descriptions	Sections for reference
A. Environmental			
A1: Emissions			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPIs	A1.1	The types of emissions and respective emissions data.	Exhaust gas
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse gas
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Non-hazardous waste
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Greenhouse gas and measures to mitigate emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Non-hazardous waste and measures to reduce waste generation
A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPIs	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Total energy consumption
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Total energy consumption
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy use efficiency
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Suitable water sources and energy use efficiency
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable

Items		Descriptions	Sections for reference
A. Environmental			
A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4: Climate Change			
General Disclosure		Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Climate Change
B. Social			
B1: Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPIs	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Total number and classification of employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee turnover ratio

Items		Descriptions	Sections for reference
B. Social			
B2: Health and Safety			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPIs	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPIs	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4: Labour Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

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Items		Descriptions	Sections for reference
B. Social			
B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPIs	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	Service complaints and responses
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Privacy protection policy and improving network security management

Items		Descriptions	Sections for reference
B. Social			
B7: Anti-corruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPIs	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment