

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

The Report Introduction

CMGE Technology Group Limited (the “Company”, together with its subsidiaries, the “Group” or “we” or “us” or “our”) is pleased to present its environmental, social and governance report (the “Report”) for the financial year ended 31 December 2023 (the “Year” or “2023”). The Report illustrates our commitments and strategies on corporate social responsibilities, and summarises the measures, plans and performance for environmental, social and governance in its sustainable development.

Reporting Scope and Reporting Period

The reporting scope is determined based on the Group’s effect on the environmental, social and governance. The scope of the Report covers the locations of the Group’s main operating entities in the People’s Republic of China (the “PRC”), including Hong Kong, Shenzhen, Beijing, Shanghai, Guangzhou, Hainan and Chengdu. The Group will conduct on-going assessment on the effect of various businesses on the environmental, social and governance and will broaden the scope of disclosures when appropriate.

Preparation Basis of the Report

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Reporting Guide”) set out in Appendix 27 (renamed as Appendix C2 since 31 December 2023) to the Listing Rules. The 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 relevant international standards set out in the Reporting Guide documents issued by the Stock Exchange in preparing the Report in the same manner as in the previous year. For details on the application of materiality reporting principles, please refer to the section headed “Materiality Assessment” in the Report.

Contact Us

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

By post: 13th Floor, 8 Wyndham Street, Central, Hong Kong

By fax: (852) 2763 4168

By email: serenashen@cmge.com

Source of Information and Reliability Statement

The information disclosed in the 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 the 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 of Directors (the “Board”) that as of 31 December 2023, the Group’s risks management and internal monitoring system concerning environment, social and governance was effective.

The Report was approved at the Board meeting held on 27 March 2024 at 13th Floor, 8 Wyndham Street, Central, Hong Kong. The Report is available in both English and Chinese versions. If there is any inconsistency between the Chinese and English versions of the Report, the Chinese version shall prevail. The electronic version of the Report is available on the websites of the Stock Exchange www.hkexnews.hk and the Company www.cmge.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

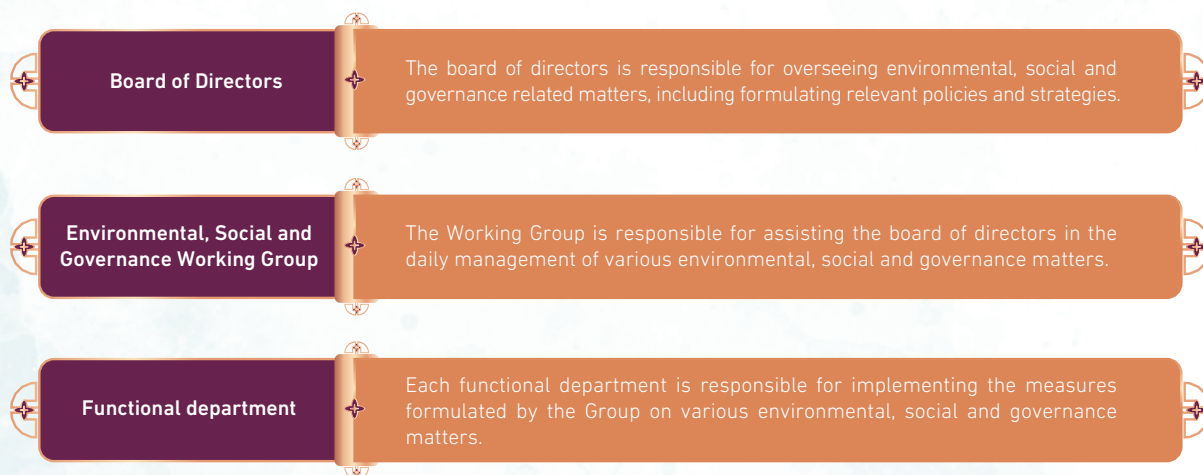
Statement of the Board

As a responsible corporate, 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 committed to maintaining close connections with different stakeholders, listening to the voices of game players, 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 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. Its target covers three aspects, including emissions reduction targets of greenhouse gases, non-hazardous waste and energy consumption, so as to respond to the national vision of carbon neutrality and enhance the corporate reputation. 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 ("Working Group") to assist the Board in overseeing and promoting the implementation of various environmental, social and governance strategies. The Working Group is also responsible for assisting the Board to determine and prioritise various important issues of environmental, social and governance, and 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 ("KPIs"), and preparing the annual environmental, social and governance report.

Looking ahead, 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.

Environmental, Social and Governance Structure



Stakeholder Identification and Communication

In the course of its operation, the Group attaches great importance on 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.

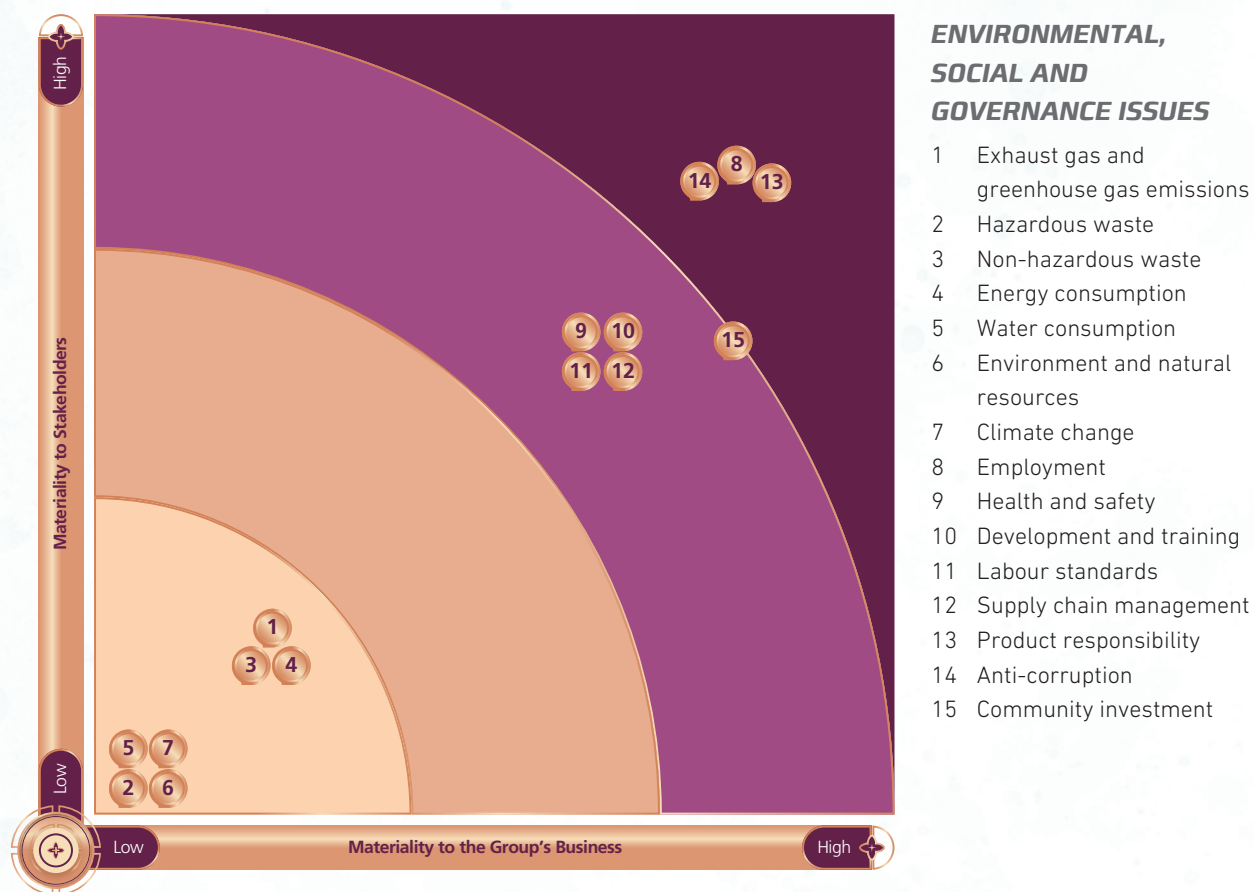
MAJOR ISSUES CONCERNING STAKEHOLDERS AND CORRESPONDING MEASURES

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

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MATERIALITY ASSESSMENT

In order to ensure that the 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:



ENVIRONMENT

Emissions

As a game publisher and developer, the Group's business nature does not have a significant impact on the environment. We have been transmitting to our employees the importance of protecting our environment on a regular basis and have been taking it as the priority task in achieving sustainable development. To this end, the Group has established Energy Conservation and Reduced Consumption Management System (《節能降耗管理制度》) and Employee Handbook (《員工手冊》), 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 of the PRC (《中華人民共和國環境保護法》), the Law on the Air Pollution Prevention and Control of the PRC (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), the Solid Waste Pollution Prevention and Control Law of the PRC (《中華人民共和國固體廢物污染環境防治法》) and the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》).

Exhaust gas emissions

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 Group's performance of exhaust gas emissions, during the Year was summarised as follows:

MAJOR TYPES OF EXHAUST GAS EMISSIONS ¹	UNIT	2023 VOLUME	2022 VOLUME
Nitrogen oxides (NO _x)	kg	40.65	34.89
Sulphur oxides (SO _x)	kg	0.11	0.09
Particulate matter (PM)	kg	3.90	3.34

Due to the prevention and control of the COVID-19 pandemic in 2022, the fuel consumption for vehicles has reduced accordingly. However, the relaxation of the prevention and control policies of the pandemic in 2023 brought business activities back on track, resulting more use of vehicles than in 2022. Therefore, the emissions of exhaust gas have all increased. The Group will continue to actively implement various vehicle management measures to reduce vehicle exhaust gas emissions, please refer to the section headed "Measures to mitigate emissions" in the Report for details.

¹ Exhaust gas emissions is calculated based on the "How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange; the vehicle fuel consumption of the Group is calculated on the basis of a vehicle fuel consumption of 16 litres/100 km.

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Greenhouse gas emissions

The greenhouse gas (the “GHG”) emissions of the Group mainly come from fuels consumed by vehicles (Scope 1), purchased electricity (Scope 2) and waste paper and business air travels (Scope 3). The performance of GHG emissions during the Year was summarised as follows:

MAJOR TYPES OF GHG EMISSIONS ²	UNIT	2023 VOLUME	2022 VOLUME
Direct GHG Emissions - Scope 1³			
Vehicle fuel - gasoline	Tonnes of carbon dioxide equivalent	19.60	16.77
Energy Indirect GHG Emissions - Scope 2			
Purchased electricity	Tonnes of carbon dioxide equivalent	685.63	689.36
Other Energy Indirect GHG Emissions - Scope 3			
Waste paper	Tonnes of carbon dioxide equivalent	8.30	10.19
Business air travels	Tonnes of carbon dioxide equivalent	160.59	67.36
Total emissions	Tonnes of carbon dioxide equivalent	874.12	783.68
Total emission intensity	Tonnes of carbon dioxide equivalent/m ² ⁴	0.06	0.05

Compared with the year of 2022, the total GHG emissions intensity during the Year increased. Such increase in the total GHG emissions intensity was mainly due to more demand for use of vehicle fuel and for employees to travel for business negotiations than in 2022 after business activities recovered upon the relaxation of the prevention and control policies of the COVID-19 pandemic in 2023. The Group will continue to strive to reduce GHG emissions, aiming to achieve the target of maintaining or reducing the intensity of total GHG emissions in the next year based on that of 2023.

2 GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, the grid emission factors included in “Notice on the Report and Verification of GHG Emissions of Enterprises in Certain Key Sectors for 2023 to 2025” (《關於做好2023-2025年部分重點行業企業溫室氣體排放報告與核查工作的通知》) issued by the Ministry of Ecology and Environment of the PRC (中國生態環境部), the global warming potential values in the “Sixth Assessment Report” issued by the Intergovernmental Panel on Climate Change, “How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange and the “Sustainability Report 2022” published by the HK Electric Investments Limited.

3 The Group has changed the disclosure manner of relevant data to comply with the requirements of the Reporting Guide of the Stock Exchange and to make more meaningful comparison.

4 The total floor area of the Group’s office is 13,831.85 m² (2022: 15,890.00 m²). The data would also be used for calculating other intensity data.

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, such as the reasonable use of vehicles by employees, prohibition of the use of the 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.

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, and therefore no relevant targets have been set.

Non-hazardous waste

The non-hazardous waste of the Group mainly comes from its office paper and daily waste, such as office supplies, plastics and epidemic prevention supplies like masks. The performance of the Group's non-hazardous waste discharged during the Year was summarised as follows:

MAJOR TYPES OF NON-HAZARDOUS WASTE ⁵		UNIT	2023 VOLUME	2022 VOLUME
Paper		Tonnes	1.73	N/A
Daily waste		Tonnes	88.20	N/A
Total non-hazardous waste		Tonnes	89.93	93.71
Total non-hazardous waste intensity		Tonnes/m ² ^{4, 6}	0.01	N/A

⁵ The category data on relevant emissions has been disclosed since 2023.

⁶ The Group has kept intensity units the same for more meaningful comparisons.

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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, the papers recycled by the Group amounted to approximately 105.00 kg (2022: 135.00 kg). The Group has adopted the above measures, with an aim to achieve the target of maintaining or reducing the total non-hazardous waste intensity by 5% in the next year, on the basis of that in 2023.

Use of Resources

The Group strictly complies with the relevant local environmental laws and regulations and has developed the Energy Conservation and Reduced Consumption Management System (《節能降耗管理制度》) and Employee Handbook (《員工手冊》), to achieve energy conservation and consumption reduction, in order to reduce the negative impact of its business operations on the environment. For details of the energy efficiency policy and green practices adopted by the Group, please refer to the following section headed “Resource use efficiency” in the Report.

The energy consumption of the Group mainly comes from direct energy consumption for vehicle use and indirect energy consumption for purchased electricity. The performance of the Group’s energy consumption during the Year was summarised as follows:

Energy consumption

MAJOR TYPES OF ENERGY CONSUMPTION ⁷	UNIT	2023 VOLUME	2022 VOLUME
Direct energy consumption			
Vehicle fuel-gasoline	kWh	71,224.50	61,126.93
Indirect energy consumption			
Purchased electricity	kWh	1,198,175.00	1,203,426.30
Total energy consumption	kWh	1,269,399.50	1,264,553.23
Total energy consumption intensity	kWh/m ² ⁴	91.77	79.58

Compared to the year of 2022, the total energy consumption intensity for the Year increased, which is mainly due to business growth as a result of the alleviation of the epidemic situation. Although the mentioned energy consumption level does not have significant impacts on environment and society, the Group keeps the aim to maintain or reduce the total energy consumption intensity in the next year, on the basis of that in 2023.

⁷ The conversion of units for energy consumption data is based on the Energy Statistics Manual (《能源數據手冊》) published by the International Energy Agency.

Water consumption

Water consumption of the Group is mainly for daily use in offices. Given the geographical location of the Group's operations, we are not aware of any issue in sourcing water that is fit for purpose.

Water consumption at all of the Group's offices is charged as part of the property management fee and there is no separate water consumption data. Therefore, the Group does not disclose water consumption volume and has not set relevant targets.

Resource 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 remind employees to switch off equipment and power when they leave the premises or when they are not using it. In office, the Group maintains the air conditioner temperature 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 the Report.

Use of 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.

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 the Energy Conservation and Reduced Consumption Management System (《節能降耗管理制度》) and Employee Handbook (《員工手冊》), applied relevant energy saving policies and green measures, and strived to avoid causing significant impacts on the environment or over-consumption of natural resources.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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	Short-term (the Year)	Medium-term (1 to 3 years)	Long-term (4 to 10 years)	Response strategies
	Low Medium High 				
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 willingly shift to game products that are more active in incorporating environmentally friendly concepts into their games				We strictly control the game publishing process and strive to produce high-quality game products featuring sustainable development concepts 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 of the PRC (《中華人民共和國婦女權益保障法》), 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 of the PRC (《中華人民共和國殘疾人保障法》) and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》).

The Group has established policies such as the Employee Handbook (《員工手冊》) and the Employee Development Management System (《員工發展管理制度》) 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.

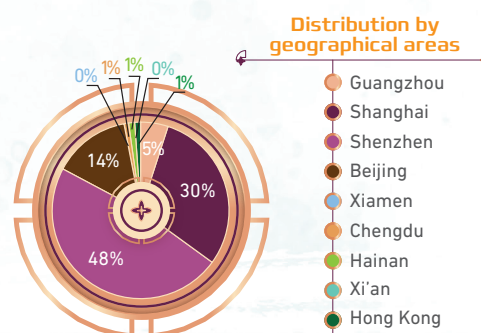
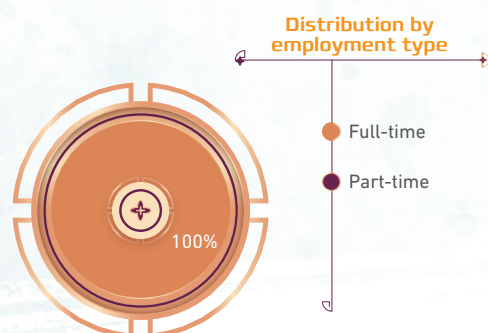
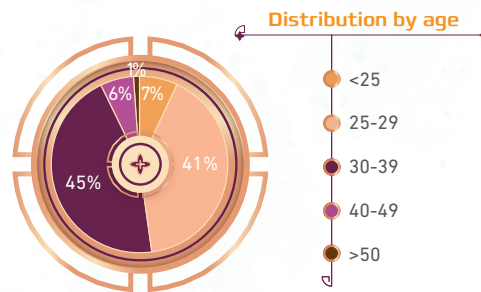
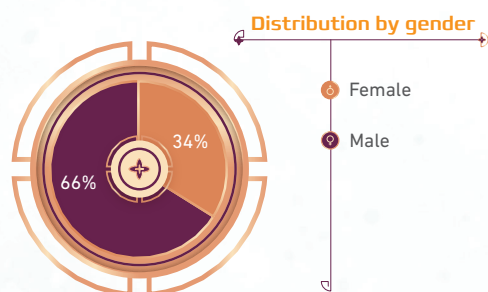
In order to enhance team cohesion and create a harmonious working atmosphere, the Group regularly organises various holiday activities and group gatherings, such as birthday parties, sports days, International Women’s Day, Children’s Day and overseas tours.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total number and classification of employees

As at 31 December 2023, the total number of employees of the Group was 832, and the details of employees are as follows:

TOTAL NUMBER OF EMPLOYEES	
Total number of employees	832
By gender	
Female	286
Male	546
By age group	
<25	64
25-29	339
30-39	372
40-49	49
>50	8
By employment types	
Full-time	832
Part-time	/
By geographical areas	
Guangzhou	43
Shanghai	246
Shenzhen	403
Beijing	117
Xiamen	/
Chengdu	6
Hainan	8
Xi'an	1
Hong Kong	8



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee turnover rate

Details of the employee turnover rate of the Group as at 31 December 2023 are as follows:

TOTAL EMPLOYEE TURNOVER ⁸		
	Number of employees	Employee turnover ratio
Total turnover	647	78%
By gender		
Female	197	69%
Male	450	82%
By age group		
<25	40	63%
25-29	225	66%
30-39	319	86%
40-49	59	120% ⁹
>50	4	50%
By geographical areas		
Guangzhou	32	74%
Shanghai	193	78%
Shenzhen	143	35%
Beijing	261	223% ⁹
Xiamen	14	/
Chengdu	/	/
Hainan	1	13%
Xi'an	/	/
Hong Kong	3	38%

8 Total employee turnover ratio = (the total number of employees who left during the Year/ the total number of employees at the end of the Year) x 100%; the employee turnover rate in each category = (the total number of employees who left during the Year in the category / the total number of employees at the end of the Year in the category) x 100%.

9 The number of employees who left during the Year exceeded the total number of employees at the end of the Year. Therefore, the ratios over 100% are due to arithmetic limit.

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HEALTH AND SAFETY

The Group strictly complies with, including but not limited to 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 with occupational health and safety during the Year. Due to the nature of the Group's business, employees mainly work in the office and are not involved in high-risk activities, therefore, the Group did not have any work-related death for the past three years, including this Year. During the Year, the Group did not have any work-related injuries. 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 established health and safety-related policies as set out in the "Environmental, Social and Safety" section of the Employee Handbook (《員工手冊》) and implemented a series of measures, including but not limited to:

- 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 maintaining a safe and comfortable working environment, the Group understands the importance of work-life balance. Therefore, in case of adequate resources, the Group actively organises various recreational activities, including holiday activities, weekend ball games and overseas trips to allow employees to relax in their leisure time, in order 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.

During the outbreak of the COVID-19 pandemic, the Group has taken relevant countermeasures to ensure the health and safety of our employees and their families:

- to clean and sterilise workplace on a regular basis to keep environment clean; 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 establishing the Employee Handbook (《員工手冊》) and the Employee Development Management System (《員工發展管理制度》), the Group also enhances employees' work performance through effective training, coaching and on-the-job training according to the CMGE College Management System (《中手游學院管理制度》). In addition, the Group has sufficient training opportunities for employees of different departments and levels every year.

The training of the Group is mainly divided into internal training and external training. The Group provides necessary internal training for relevant operational positions based on the development needs of employees, 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 are as follows:

STAFF TRAINING ¹⁰		
	Number of employees trained	% of employees trained
Total number trained	715	86%
By gender		
Female	253	35%
Male	462	65%
By employee category		
Junior staff	659	92%
Middle and senior staff	56	8%
Training hours		
Total hours (hours)	9,255	
Average training hours¹¹		
By gender		
Female	32.36	
Male	16.95	
By employee category		
Junior staff	12.47	
Middle and senior staff	102.83	

¹⁰ The percentage of total employees trained= (the total number of employees trained during the Year/ the total number of employees as at the end of the Year) x 100%; the percentage of employees trained in each category= (the total number of employees trained during the Year in the category/ the total number of employees trained during the Year) x 100%.

¹¹ The average training hours= (the total training hours during the Year in the category/ the total number of employees as at the end of the Year).

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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 but not limited to the Labour Law of the PRC (《中華人民共和國勞動法》), the Law on the Protection of Minors of the PRC (《中華人民共和國未成年人保護法》), 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.

In order to avoid the illegal employment of child labour, 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 documents will be deemed as fraudulent and any related signed labour contract will be deemed invalid. To prevent forced labour, the Group has set out the rights of employees in relation to working hours and rest periods in the Employee Handbook (《員工手冊》). Any violations will be dealt with depending on conditions in accordance with the Group's internal policies, and serious offenders will be dealt with in accordance with the law. 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, the Group was not aware of any material non-compliance with laws and regulations relating to the employment of child labour and forced labour.

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 Suppliers Management System (《供應商管理制度》) 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 occupational health and safety, labour rights and compliance with laws and regulations when selecting potential suppliers, gives preference to suppliers that promote environmentally friendly products and services, with an aim to bring positive impacts to the entire supply chain.

For compliance purposes, when inviting bids from suppliers, the Group will require such suppliers to comply with the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) and the Procurement Law of the PRC (《中華人民共和國採購法》) in the bidding process. Suppliers 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》). In addition, the Group also requires suppliers to pay taxes according to law to ensure compliance.

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.

The Group has 57 major qualified suppliers for the Year, all of which are located in the PRC and are evaluated carefully.

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 conduct multiple rounds of testing before the display version of its games is produced and 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.

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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 Year are as follows:

Award/Recognition	Date of Award	Awarding Institution/Authority
Tribute to the Most Beautiful Enterprise – Activity of “Adhering to the Spirit of the 20th CPC National Congress and Making Path on a New Journey” by the Work Committee for Internet Enterprise of Shenzhen Municipal Party Committee (市委互聯網企業工委) Outstanding Grassroots Party Organization (先進基層黨組織)	January 2023	Organisation Department of Shenzhen Municipal Party Committee (深圳市委組織部), Guidance of Publicity Department of Shenzhen Municipal Party Committee (深圳市委宣傳部指導), Work Committee for Internet Enterprise of Shenzhen Municipal Party Committee (深圳市委互聯網企業工委)
Tribute to the Most Beautiful Enterprise – Activity of “Adhering to the Spirit of the 20th CPC National Congress and Making Path on a New Journey” by the Work Committee for Internet Enterprise of Shenzhen Municipal Party Committee (市委互聯網企業工委) Five-star Party Branch (五星支部)	January 2023	Organisation Department of Shenzhen Municipal Party Committee (深圳市委組織部), Guidance of Publicity Department of Shenzhen Municipal Party Committee (深圳市委宣傳部指導), Work Committee for Internet Enterprise of Shenzhen Municipal Party Committee (深圳市委互聯網企業工委)

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Award/Recognition	Date of Award	Awarding Institution/Authority
Outstanding Contribution of “Golden Diamond Award” 2022 (金鑽榜2022年度突出貢獻獎)	February 2023	The Department of Culture and Tourism of Guangdong Province (廣東省文化和旅游廳), Guangdong Entertainment & Game Industry Association (廣東省遊戲產業協會)
Social Responsibility of “Golden Diamond Award” 2022 (金鑽榜2022社會責任獎)	February 2023	The Department of Culture and Tourism of Guangdong Province (廣東省文化和旅游廳), Guangdong Entertainment & Game Industry Association (廣東省遊戲產業協會)
GTC2022 Jing Ming Award (鯨鳴獎) Outstanding Overseas Games Publisher Award of 2022 (2022年度優秀出海遊戲廠商獎)	February 2023	Baijingapp (白鯨出海)
2022 Innovative Enterprise in Game Industry (2022年度遊戲行業精益創新企業)	April 2023	China Internet Weekly published by the Chinese Academy of Sciences (中國科學院《互聯網週刊》), IT Research Centre under Chinese Academy of Social Sciences (中國社會科學院信息化研究中心), eNet Research Centre (eNet研究院) and Deben Consultation (Beijing) Co., Ltd. (德本諮詢(北京)有限公司)
2022 Best Overseas Game - Dynasty Warriors: Hegemony (2022年最佳出海遊戲《真・三國無雙霸》)	April 2023	Guangdong Entertainment & Game Industry Association (廣東省遊戲產業協會)

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Award/Recognition	Date of Award	Awarding Institution/Authority
Best Game of "3D (Character/Scene) Art Design Award" - The King of Fighters: All Stars (最佳遊戲3D (人物/場景)美術設計獎《全明星激鬥》)	April 2023	China Joy (Howell International Trade Fair Ltd. (上海漢威信恒展覽有限公司))
Outstanding Game of the Year Rakshasa Street: Chosen One (年度傑出遊戲《鎮魂街:天生為王》)	April 2023	Huawei Cloud (華為雲)
2022-2023 Games Enterprises Corporate Social Responsibility Report (2022-2023遊戲企業社會責任報告) Outstanding Games Enterprise for Performance of the Social Responsibility of China's Games Enterprises of the Year (年度中國遊戲企業社會責任綜合表現較為突出遊戲企業)	July 2023	People.cn (人民網), Beijing Xicheng District Municipal Government (北京市西城區人民政府)
The 16th Time Marketing Awarding Ceremony (第十六屆時代營銷盛典) 2023 Charity Pioneer of The Time (2023年度時代公益先鋒獎)	November 2023	Guangdong Times Media Group (廣東時代傳媒集團)
The Golden Finger (金手指) Outstanding Enterprise in the Chinese Game Industry 2023 (2023年度中國遊戲行業優秀企業)	November 2023	The 19th Chinese Game Industry Annual Conference 2023 (《2023(第十九屆)中國遊戲行業年會》) of China Culture and Entertainment Industry Association (中國文化娛樂行業協會)
The Golden Finger (金手指) Outstanding Mobile Game in the Chinese Game Industry 2023 (2023年度中國遊戲行業優秀手機遊戲) World of Castellan (城主天下) Sword and Fairy: Wen Qing (新仙劍奇俠傳之揮劍問情)	November 2023	The 19th Chinese Game Industry Annual Conference 2023 (《2023(第十九屆)中國遊戲行業年會》) of China Culture and Entertainment Industry Association (中國文化娛樂行業協會)
The 13th List of Chinese Listed Companies with Good Reputation 2023 (2023第十三屆中國上市公司口碑榜) Most Socially Responsible Listed Company Award (最具社會責任上市公司獎)	November 2023	12th Summit Forum for Chinese Listed Companies 2023 of National Business Daily (每日經濟新聞《2023第十二屆中國上市公司高峰論壇》)

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Award/Recognition	Date of Award	Awarding Institution/Authority
Outstanding Game Selection 2023 (Golden Plume Award) (2023年度優秀遊戲評選大賽 (金翎獎)) Most influential Mobile Game Publisher (最具影響力移動遊戲發行商)	November 2023	Shanghai Hanwei Xinheng Exhibition Co., Ltd (上海漢威信恒展覽有限公司)
Outstanding Game Selection 2023 (Golden Plume Award) (2023年度優秀遊戲評選大賽 (金翎獎)) Gamers' Most Anticipated Online Mobile Game (玩家最期待的移動網路遊戲) Legend of Sword and Fairy: World (仙劍世界)	November 2023	Shanghai Hanwei Xinheng Exhibition Co., Ltd (上海漢威信恒展覽有限公司)
2023 Ceremony of High Quality Development of Shenzhen Internet Industry (2023年深圳互聯網行業高品質發展星光大典) Top Ten Pioneer Projects of High Quality Development of Internet Enterprises Guided by the Party (黨建引領互聯網企業高品質發展十大先鋒項目)	December 2023	Cyberspace Administration of Shenzhen Municipal Party Committee (深圳市委網信辦), Work Committee for Internet Enterprise of Shenzhen Municipal Party Committee (深圳市委互聯網企業工委)
Capital Market Communication & Innovation Team Award (資本市場傳播創新團隊獎)	December 2023	The 4th Annual Selection of Listed Companies on Futubull of FUTU (富途《第四屆富途牛牛上市公司年度評選》)
2023 Xiaomi Games Year-end Appreciation Party and Award Ceremony (2023小米遊戲年終答謝會暨頒獎典禮) Most Anticipated Game of 2023 (2023年最受期待遊戲) Legend of Sword and Fairy: World (仙劍世界)	December 2023	Mi Game (小米遊戲)
List of Selected Enterprises of 2023 (2023年年度評選企業名單) The Most Attractive Enterprise for Investors (最受投資者關注獎)	December 2023	Valuable Capital (華盛證券)

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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 (《國家新聞出版署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 but not limited to the Advertising Law of the PRC (《中華人民共和國廣告法》).

During the Year, 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 the Customer Service Enquiry and Complaint Process and Implementation Standards (客服諮詢與投訴流程及執行標準), 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

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 Trademark Management System (《商標管理制度》) and Management System for the Declaration of Game Copyright Qualifications (《遊戲著作權資質申報管理制度》) 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.

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 of the PRC (《中華人民共和國個人信息保護法》). 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》) and Users' Personal Information Management System (《用戶個人信息管理制度》) 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 of the PRC (《中華人民共和國網絡安全法》), and there were no incidents of non-compliance in relation to data privacy during the Year.

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 Information Security Policy (《信息安全方針》) and Information Security Organization and Management System (《信息安全組織管理制度》), which specify the 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 but not limited to the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》), the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Criminal Law of the PRC (《中華人民共和國刑法》), and adheres to the fundamental standards of integrity and self-discipline. The Group has formulated the Anti-fraud and Reporting Management Policy (《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 anti-corruption trainings according to the actual needs.

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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 evidence obtained. The Group intends to protect whistleblowers from common concerns such as confidentiality and potential retaliation. Therefore, even if a complaint is subsequently proved to be unsubstantiated, employees who report in good faith under the whistleblowing mechanism can be assured of the protection against unfair dismissal or victimisation.

During the Year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees, and the Group was also 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, and has established the CMGE Dream Builder Volunteer Team Activity Regulations (《中手游築夢志願者團隊活動章程》), which clearly defines the purpose, responsibilities, and tasks of the volunteer team. 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 31 December 2023, a total of 12 "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, Meihokou of Jilin, Yangchun of Guangdong, Jishan of Shanxi, Pingxiang of Jiangxi, Lu'an of Anhui, Enshi of Hubei, Jiyuan of Henan, Heyuan of Guangdong, Jizhou of Tianjin and Ji'an of Jiangxi.



In addition to the public welfare construction and activities to promote the reading culture, the Group has conducted several community volunteer activities during the Year due to the alleviation of the COVID-19 pandemic in China. In which, 13 employees participated in the donation activities in Jizhou of Tianjin and Ji'an of Jiangxi in the CMGE Dream Libraries Plan (中手游築夢圖書館計劃), Guangdong-Guangxi Cooperation Donation to Longkai Village, Jiafang Township, Mashan County (馬山縣加方鄉龍開村粵桂協作幫扶捐款) and the donation activity of "I have a Garden in Guangxi (我在廣西有個園)", donating about 192 hours in total.

The Group helped various types of institutions by way of donations and participated various social activities to make contribution and give back to the society in its capacity as a corporate citizen to fulfill its social responsibilities and establish a good image in the public. During the Year, the Group has donated RMB123,000 in total to support local economy and provide social benefits to the disadvantaged groups in Hong Kong and Mainland China.

Besides, the Group is committed to nurturing and providing a broader platform for young artists and cultivating more outstanding art creative talents. 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

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學) and Guangzhou Huashang Vocational College (廣州華商職院), respectively, and 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 Outstanding Games Enterprise for

Performance of the Social Responsibility of China's Games Enterprises of the Year (年度中國遊戲企業社會責任綜合表現較為突出遊戲企業) in the 2022-2023 Games Enterprises Corporate Social Responsibility Report (2022-2023遊戲企業社會責任報告) organised by People.cn (人民網) and the 2023 Charity Pioneer of The Time (2023年度時代公益先鋒獎) in The 16th Time Marketing Awarding Ceremony (第十六屆時代營銷盛典) organised by the Guangdong Times Media Group (廣東時代傳媒集團). 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.



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General disclosures and KPIs set out in the 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 emissions
	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 emissions
	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 emissions; 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; 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).	Energy consumption
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water consumption
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy consumption Resource 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.	Water consumption; Resource 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 KPIs	A3.1	Policies on minimising the issuer's significant impacts on the environment and natural resources. Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources Environment and Natural Resources
A4: Climate Change			
General Disclosure KPIs	A4.1	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 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 Climate Change
B. Social			
B1: Employment			
General Disclosure KPIs		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 rate
B2: Health and Safety			
General Disclosure KPIs		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

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Items		Descriptions	Sections for reference
B. Social			
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
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

Items		Descriptions	Sections for reference
B. Social			
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.	Product Responsibility
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
	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; Improving network security management
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

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Items	Descriptions		Sections for reference
B. Social			
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