## 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 2024 (the "Year" or "2024"). The Report illustrates our commitments and strategies on corporate social responsibility, and summarises the measures, plans and performance for environmental, social and governance ("ESG") in its sustainable development.

### Reporting Scope and Reporting Period

The reporting scope is determined based on the Group's effect on ESG. 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 ESG 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 Code (the "Reporting Code") set out in Appendix C2 to the Listing Rules on the Stock Exchange. 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 Code 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 that as of 31 December 2024, the Group's risks management and internal monitoring system concerning the ESG was effective.

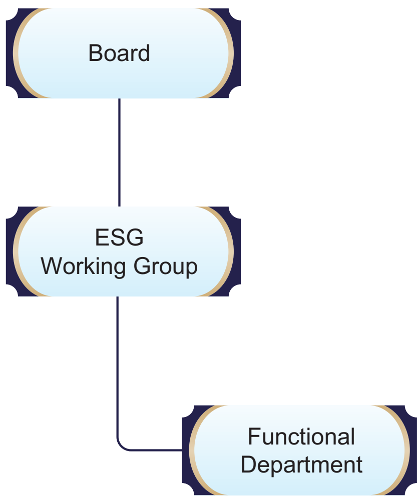
The Report was approved at the Board meeting held on 27 March 2025 at 13th Floor, 8 Wyndham Street, Central, Hong Kong. The Report is available in both English and Chinese versions. If there is any inconsistency between the Chinese and English versions of the Report, the Chinese version shall prevail. The electronic version of the Report is available on the websites of the Stock Exchange **www.hkexnews.hk** and the Company **www.cmge.com**.

## ESG MANAGEMENT

### Statement of the Board

As a responsible corporation, the Group adheres to the concept of sustainable development, actively fulfils its corporate social responsibility, 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. The Group has established a clear ESG regulatory framework, covering the Board, the ESG working group (the "ESG Working Group") and relevant functional departments, and integrated ESG-related responsibilities into the corporate strategy, risk management and business operation. 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.

### ESG Structure



## Board Supervision

The Board has ultimate responsibility for the management of ESG and climate-related risks of the Group, and is responsible for formulating ESG and sustainability strategies, and ensuring that ESG and climate-related risks and opportunities are integrated into the overall governance and business decision-making processes of the Group. Its main responsibilities include overseeing ESG and climate risk management to ensure that it is in line with the Group's long-term development goals; approving ESG goals and strategies, and regularly evaluating ESG progress and the key performance indicators (the "KPIs"); conducting at least one enterprise-wide risk assessment annually to identify, monitor and manage ESG and climate change risks to ensure that ESG and climate-related risks are managed in tandem with business risks; regularly reviewing ESG and climate risk management frameworks to ensure compliance with local and international standards, and monitoring the impact of ESG and climate-related risks on the Group's financial position, business operations and supply chain management; ensuring that ESG and climate risk management is closely integrated with corporate financial planning to enhance the sustainable competitiveness of the Group. In addition, the Board is responsible for formulating and supervising ESG related policies, including carbon reduction targets, energy management, climate adaptation strategies and environmental compliance requirements, and ensuring that the Group effectively addresses the challenges of climate change and complies with regulatory requirements; supervising the implementation of ESG goals and monitoring mechanisms and regularly reviewing ESG and climate-related risks response options to ensure that the implementation of ESG goals is in line with the direction of the strategic development of the Group.

## ESG Working Group

The ESG Working Group is responsible for implementing the ESG strategies developed by the Board, promoting the implementation of ESG-related policies and measures in daily operations, and ensuring that ESG risks and opportunities are effectively managed. Its main responsibilities include assisting the Board in identifying major risks and opportunities for ESG and climate change, formulating response plans and monitoring the implementation of ESG goals; regularly reporting ESG progress and KPIs to the Board to ensure that ESG risks are managed in tandem with the Group's operational risks; establishing ESG risk monitoring and data management mechanisms, including carbon emission reporting, energy use monitoring, waste disposal and supply chain sustainability assessments to ensure the transparency and measurability of ESG goals; overseeing the implementation of ESG-related policies across functional departments, and submitting ESG risk management reports and improvement plans to the Board to ensure the ESG strategies are in line with the Group's development direction. In addition, the ESG Working Group is responsible for the communications with external and internal stakeholders, ensuring that the ESG goals coordinate with the overall development strategies of the Group and cooperating with the internal functional departments to ensure that ESG risk management mechanism are effectively implemented and continuously improved; keeping close contact with external stakeholders (such as investors, regulatory authorities, suppliers and business partners) to ensure the transparency and disclosure of ESG risk information; preparing annual ESG report to ensure ESG and climate-related disclosures meet international standards, improving the transparency of ESG governance of the Group while ensuring that the implementation of ESG goals is in line with regulatory requirements and long-term development strategies of the Group.

### Functional Departments

Various functional departments of the Group are responsible for the implementation of ESG policies and measures to ensure that the ESG goals can be effectively implemented in daily operations of the Group and are directly accountable for achieving ESG goals. The core duties of various departments cover environmental management, talent development, supply chain management and corporate social responsibility to ensure that ESG risk management keeps in line with operational strategies of the Group.

*Environmental management and sustainable development*

- Supervising the management of carbon emissions, the improvement of energy efficiency and disposal of wastes to ensure that ESG goals are closely integrated into business operations;
- Responsible for supervising corporate environmental compliance to ensure that ESG risk management complies with regulatory requirements.

*Human resources and corporate culture*

- Promoting diversity of employees, vocational development and ESG training to ensure that ESG goals keep in line with corporate talent management strategies;
- Supervising employee health and safety policies to ensure that ESG goals cover vocational health and safety management.

*Supply chain management and corporate social responsibility*

- Supervising ESG compliance of suppliers to ensure the application of ESG principles throughout supply chain management;
- Responsible for corporate social responsibility and community investment to ensure that ESG goals aligned with the corporate social influence.

In addition, various departments are required to submit ESG performance reports to the ESG Working Group regularly to ensure the effectiveness and measurability of ESG risk management and report to the ESG Working Group on ESG matters when necessary.

### Stakeholder Identification and Communication

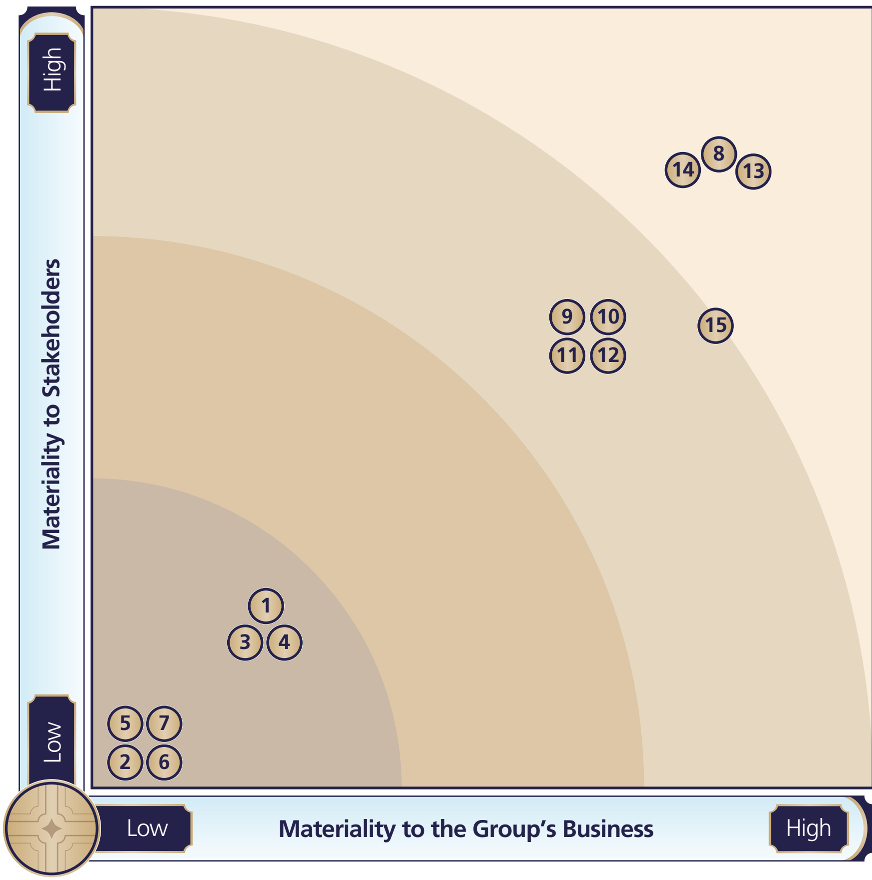
In the course of its operation, the Group attaches great importance on the major issues that the stakeholders are concerned about. The Group understands the expectations and needs of its stakeholders through comprehensive and transparent communication, and continue to improve the Group's sustainable 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<br>• Investment return<br>• Corporate image<br>• Compliance operations | • General meetings<br>• Announcements of the Company<br>• Company's website |
| **Government and regulatory authorities** | • Compliance operations<br>• Tax payment according to law<br>• Information disclosure and reporting materials | • Announcements of the Company<br>• Company's website |
| **Industry associations** | • Compliance operations | • Visits<br>• Meetings<br>• Seminars<br>• Exchange activities |
| **Suppliers and business partners** | • Compliance operations<br>• Quality of products and service | • Agreements<br>• Tenders<br>• Review and evaluation |
| **Employees** | • Remuneration and benefits<br>• Working environment and safety<br>• Diversification and equal opportunities<br>• Training and room for career development | • Forums<br>• Staff training<br>• Group activities for employees<br>• Staff satisfaction survey<br>• Monthly magazine of the Company |
| **Game players** | • Product quality<br>• Personal privacy protection | • Company's website<br>• Online customer services<br>• User service agreement<br>• Online and offline promotion activities |
| **Community** | • Community development<br>• Community services<br>• Employment opportunities<br>• Ecological environment | • Community activities<br>• Volunteer activities<br>• Media enquiries<br>• Promotion activities<br>• Community communication meetings<br>• Press releases and announcements |

## 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 the ESG 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 ESG issues based on certain factors such as its strategies, development and objectives. During the Year, there were no significant changes in the stakeholders or operating conditions of the Group. Therefore, the Group confirms that the materiality matrix results from the ESG Report of the previous year remain applicable for 2024 and will continuously respond to the expectations of stakeholders. The materiality matrix and prioritisation of the Group's material ESG issues are as follows:




**ESG 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 Summary of climate-related risks and opportunities
8 Employment
9 Health and safety
10 Development and training
11 Labour standards
12 Supply chain management
13 Product responsibility
14 Anti-corruption
15 Community investment

## 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 | 2024 VOLUME | 2023 VOLUME |
|---|---|---|---|
| Nitrogen oxides ($NO_x$) | kg | **37.82** | 40.65 |
| Sulphur oxides ($SO_x$) | kg | **0.10** | 0.11 |
| Particulate matter (PM) | kg | **3.62** | 3.90 |

During the Year, the Group has actively promoted the management of vehicle use to reduce the environmental impact, and our exhaust gas emissions were basically the same as last year. Looking ahead, we will make continuous efforts to reduce exhaust gas emissions and further improve environmental performance, so as to promote sustainable development and make greater contributions to society and the environment. For details of vehicle management measures, please refer to the section headed "Measures to mitigate emissions" in the Report. Looking into the future, the Group targets to gradually taper off the use of company vehicles in the next year and strengthen the utilisation of instant online communication tools for business negotiations, further reducing the exhaust gas emissions.

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.

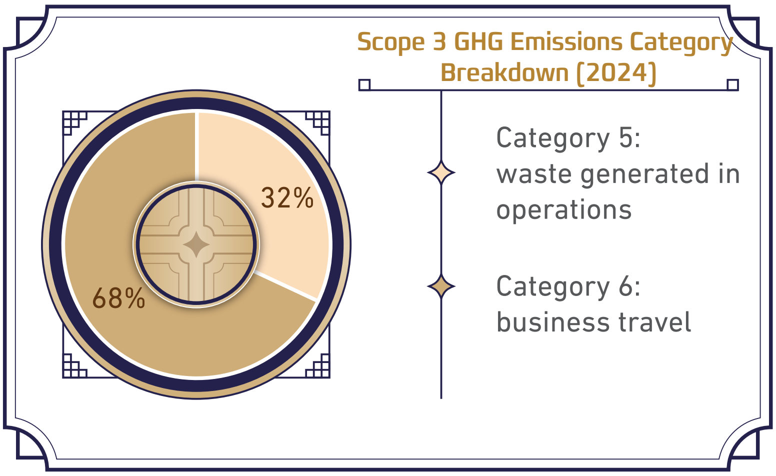
### *Greenhouse gas emissions*

The greenhouse gas (the "GHG") emissions of the Group mainly come from three aspects: fuels consumed by vehicles (Scope 1), purchased electricity (Scope 2) and Category 5 (waste generated in operations) and Category 6 (business travel) under the "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)" (《溫室氣體核算體系:企業價值鏈 (範圍3) 核算與報告標準 (2011年)》). The performance of GHG emissions during the Year is summarised as follows:

| MAJOR TYPES OF GHG EMISSIONS | SOURCE OF EMISSION FACTORS | UNIT | 2024 VOLUME | 2023 VOLUME |
|---|---|---|---|---|
| **Direct GHG Emissions - Scope 1** | | | | |
| Vehicle fuel - gasoline | • "How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange | Tonnes of carbon dioxide equivalent | **18.24** | 19.60 |
| **Energy Indirect GHG Emissions -Scope 2** | | | | |
| Purchased electricity | • 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)<br>• The "Sustainability Report 2023" published by the HK Electric Investments Limited | Tonnes of carbon dioxide equivalent | **679.07** | 685.63 |
| **Other Energy Indirect GHG Emissions - Scope 3[2]** | | | | |
| Category 5: waste generated in operations | • Please refer to "Scope 3 Reporting boundary" | Tonnes of carbon dioxide equivalent | **144.15** | 8.30 |
| Category 6: business travel | | Tonnes of carbon dioxide equivalent | **310.08** | 160.59 |
| Total emissions | | Tonnes of carbon dioxide equivalent | **1,151.54** | 874.12 |
| Total emissions intensity | | Tonnes of carbon dioxide equivalent/$m^2$ [3] | **0.11** | 0.06 |

2 The Group has updated its disclosure methods this Year to comply with Part D of the newly revised Stock Exchange Reporting Code: Climate-related Disclosure Requirements, and the data disclosed in 2023 remains applicable.

3 The total floor area of the Group's office is 10,368.92 $m^2$ (2023:13,831.85 $m^2$). The data would also be used for calculating other intensity data.




*Scope 3 Reporting boundary*

| SCOPE 3 CATEGORY | RELATIONSHIPS WITH THE GROUP | CALCULATION AND EMISSION FACTORS |
|---|---|---|
| **Category 5: waste generated in operations** | | |
| Emissions from the disposal and treatment of waste generated. | Among the waste produced, the most significant sources of emission are identified as wastepaper, recycled paper and domestic waste. | • Assessed using waste-type-specific method.<br>• It is calculated by multiplying the amount of wastepaper, recycled paper and domestic waste produced by the Group by the corresponding emission factor, taking into account the method of disposal.<br>• The source of emission factors: "How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, the 2023 UK Government GHG Conversion Factors for Company Reporting (2023年英國政府供公司申報使用的溫室氣體轉換系數) and the "Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong" published by the University of Hong Kong and City University of Hong Kong. |
| **Category 6: business travel** | | |
| Emissions from the transportation of employees for business related activities. | The most significant sources of emission are identified as air travel and high-speed train travel. | • Assessed using distance-based method.<br>• The air travel emission is calculated by multiplying the distance travelled by specific flight class by the corresponding emission factor, and the high-speed train travel emission is calculated by multiplying the railway type, distance and number of passenger by the corresponding emission factor.<br>• The source of emission factors: ICAO Carbon Emissions Calculator of International Civil Aviation Organisation ("ICAO") and GHG Emissions from Transport or Mobile Sources Tool under GHG Protocol. |

*Our approach*

| Our approach | |
|---|---|
| **Standards** | • The "GHG Protocol: A Corporate Accounting and Reporting Standard (2004)" (《溫室氣體核算體系:企業核算與報告標準(2004年)》) issued by the World Resources Institute and the World Business Council for Sustainable Development<br>• The "Global Warming Potential Values" from the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change<br>• "How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange |
| **Measurement method** | Using operational control, as operational information is accessible |
| **Operational boundary** | One office located in Central, Hong Kong and eight operating locations in Mainland China, including Shenzhen, Beijing, Shanghai, Guangzhou, Hainan and Chengdu |

*GHG emissions targets*

The GHG emissions intensity of the Group for the Year increased significantly as compared to 2023. The emissions of Scope 1 showed a downward trend, which was mainly because the demand for vehicles decreased as part of the Group's business negotiations were changed to be conducted through instant online communication tools, resulting in a decrease in Scope 1 emissions. The emissions of Scope 2 remained basically the same, while the emissions of Scope 3 increased significantly. This was mainly because the Group commenced to disclose the data of Category 5 (waste generated in operations) and Category 6 (business travel) under the "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)" during the Year, which resulted in the significant increase in Scope 3 and the entire GHG emissions intensity thus failing to meet the targets set last year.

In order to comply with the Part D: Climate-related Disclosure Requirements under the Reporting Code updated by the Stock Exchange on 1 January 2025, the Group has reset the GHG emissions targets, taking into account the Corporate Near-Term Criteria of Science Based Targets Initiative ("SBTi"), details of which are set out below:

| | TARGET INFORMATION | TARGET SETTING | | |
|---|---|---|---|---|
| **TARGET SETTING** | By 2028, the short-term target is reducing Scope 1 and Scope 2 GHG emissions by approximately 33.60% compared to 2023, the benchmark year. | | **Scope 1 and 2: GHG emissions (Tonnes of carbon dioxide equivalent)** | **Decrease compared to the benchmark year (%)** |
| **TYPE OF TARGET (ABSOLUTE/ INTENSITY)** | Absolute | **Total emissions – benchmark year (2023)** | 705.23 | / |
| **AIM OF TARGET** | In line with the Corporate Near-Term Criteria of SBTi, and reducing the GHG emissions produced by the Group's own business. | **Total emissions – target (2028)** | 468.27 | ▼33.60% |
| **PROGRESS MONITORING** | The Board reviews the target and performance of Scope 1 and Scope 2 GHG emissions and evaluates whether any revisions are needed. | | | |
| **TARGET SCPOE** | Covering all business of the Group. | | | |

| CURRENT PROGRESSES | | |
|---|---|---|
| | **Scope 1 and 2: GHG emissions (Tonnes of carbon dioxide equivalent)** | **Decrease compared to the benchmark year (%)** |
| **2023** | 705.23 | / |
| **2024** | 697.31 | ▼1.12% |

*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 | UNIT | 2024 VOLUME | 2023 VOLUME |
|---|---|---|---|
| Paper | Tonnes | **1.48** | 1.73 |
| Daily waste | Tonnes | **91.35** | 88.20 |
| Total non-hazardous waste | Tonnes | **92.83** | 89.93 |
| Total non-hazardous waste intensity | Tonnes/m$^2$ | **0.01** | 0.01 |

During the Year, papers recycled by the Group amount to approximately 105 kg[4] (2023: 105.00 kg). The Group has reached the target established last year with the total non-hazardous waste intensity for the Year being basically the same as that in 2023. Looking ahead, using 2024 as the benchmark year, the Group plans to maintain or reduce the total non-hazardous waste intensity in the next year, so as to continuously promote the sustainable development goal.

*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.

4 The amount of paper is estimated.

## 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 | UNIT | 2024 VOLUME | 2023 VOLUME |
|---|---|---|---|
| **Direct energy consumption[5]** | | | |
| Vehicle fuel - gasoline | kWh | **66,256.33** | 71,224.50 |
| **Indirect energy consumption** | | | |
| Purchased electricity | kWh | **1,187,314.10** | 1,198,175.00 |
| Total energy consumption | kWh | **1,253,570.43** | 1,269,399.50 |
| Total energy consumption intensity | kWh/$m^2$ | **120.90** | 91.77 |

During the Year, the Group actively controlled the use of company vehicles and promoted electricity saving, which showed that the total energy consumption was essentially unchanged from the previous year. However, the energy consumption intensity has increased by approximately 31.74%, primarily due to the surrender of certain offices by the main operating unit of the Group, resulting in a decrease in the total office space compared with last year. Due to the arithmetic limitation of intensity statistics, the total energy consumption intensity increased compared with the previous year, which failed to reach the previously set energy targets. Looking ahead, using 2024 as the benchmark year, the Group plans to maintain or reduce the total energy consumption intensity in the next year, so as to continuously promote the sustainable development goal.

### *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.

5 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.

### *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 25 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.

## Summary of Climate-related Risks and Opportunities

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

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

| Risk types | Possible financial impacts<br>Low Medium High | Short-term<br>(the Year) | Medium-term<br>(1 to 3 years) | Long-term<br>(4 to 10 years) | Response strategies |
|---|---|---|---|---|---|
| Physical risks | Acute<br>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 |
| | Chronic<br>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 | Policies and regulations<br>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 |
| | Market<br>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.

### *Carbon offset*

The Group believes that prudent and high-quality carbon offset plays a role in reducing our carbon footprint. We will actively explore the information and services available on the Core Climate platform of the Stock Exchange regarding carbon credit purchase, seeking ways to completely offset the Scope 3 GHG emissions. The Group will continue to evaluate our carbon offset strategy, including procurement standards, suitable platforms and schedules. Exploring the long-term investment opportunities in carbon removal projects and gradually reducing reliance on carbon offset will be our focus.

## 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:

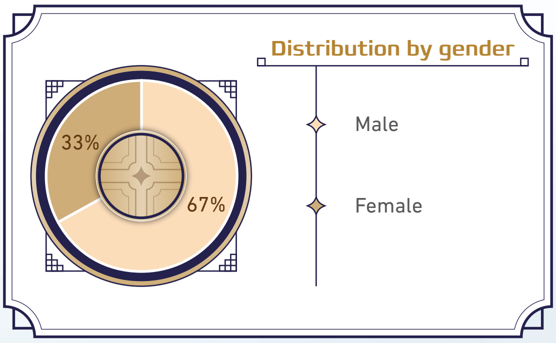
- meal allowance and afternoon tea;
- snack store selling at half-price;
- birthday gifts;
- festival gifts;
- red packets for Lunar New Year;
- fitness programme; and
- annual medical checkup.

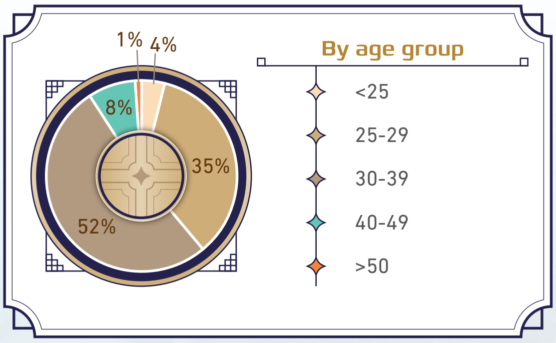
In order to enhance team cohesion and create a harmonious working atmosphere, the Group regularly organises various holiday activities and group gatherings, such as birthday parties, sports days, International Women's Day, Children's Day and overseas tours.

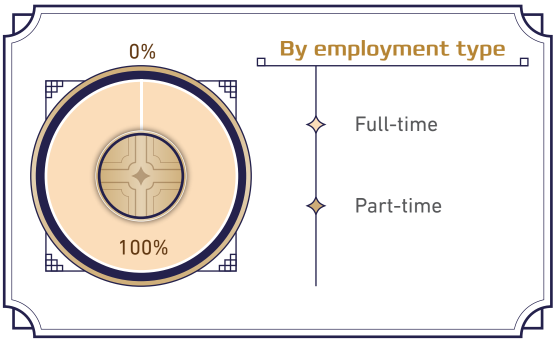
*Total number and classification of employees*

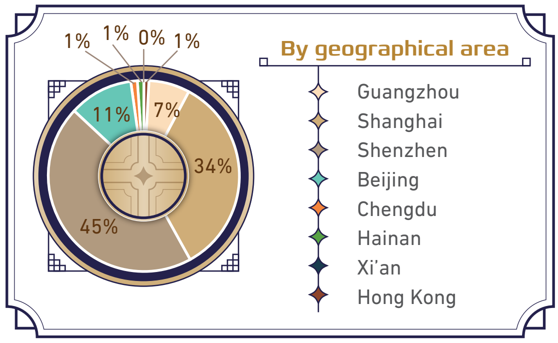
As at 31 December 2024, the total number of employees of the Group was 710, and the details of employees are as follows:

| TOTAL NUMBER OF EMPLOYEES | |
|---|---|
| **Total number of employees** | 710 |
| **By gender** | |
| Female | 234 |
| Male | 476 |
| **By age group** | |
| <25 | 33 |
| 25-29 | 249 |
| 30-39 | 368 |
| 40-49 | 55 |
| >50 | 5 |
| **By employment type** | |
| Full-time | 710 |
| Part-time | / |
| **By geographical area** | |
| Guangzhou | 53 |
| Shanghai | 239 |
| Shenzhen | 322 |
| Beijing | 77 |
| Chengdu | 4 |
| Hainan | 6 |
| Xi'an | / |
| Hong Kong | 9 |






*Employee turnover rate*

Details of the employee turnover rate of the Group during 2024 are as follows:

| TOTAL EMPLOYEE TURNOVER[6] | | |
|---|---|---|
| | **Number of employees** | **Employee turnover ratio** |
| **Total turnover** | 337 | 47% |
| **By gender** | | |
| Female | 109 | 47% |
| Male | 228 | 48% |
| **By age group** | | |
| <25 | 19 | 58% |
| 25-29 | 149 | 60% |
| 30-39 | 157 | 43% |
| 40-49 | 9 | 16% |
| >50 | 3 | 60% |
| **By geographical area** | | |
| Guangzhou | 16 | 30% |
| Shanghai | 90 | 38% |
| Shenzhen | 162 | 50% |
| Beijing | 62 | 81% |
| Chengdu | 2 | 50% |
| Hainan | 2 | 33% |
| Xi'an | 1 | / |
| Hong Kong | 2 | 22% |

6 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%.

## 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 had 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[7] | | |
|---|---|---|
| | Number of employees trained | % of employees trained |
| **Total number trained** | 642 | 90% |
| **By gender** | | |
| Female | 214 | 33% |
| Male | 428 | 67% |
| **By employee category** | | |
| Junior staff | 583 | 91% |
| Middle and senior staff | 59 | 9% |
| **Training hours** | | |
| Total hours (hours) | 5,667.67 | |
| **Average training hours[8]** | | |
| **By gender** | | |
| Female | 8.39 | |
| Male | 7.78 | |
| **By employee category** | | |
| Junior staff | 8.04 | |
| Middle and senior staff | 7.52 | |

7 The percentage of 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%.

8 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).

## 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 all 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 52 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.

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 |
|---|---|---|
| **2024 Innovative Application Award under Golden i Award (金i獎2024年度創新應用獎)** | June 2024 | 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) |
| **Most Anticipated Game of 2024 (2024年度最受期待遊戲) Legend of Sword and Fairy: World (仙劍世界)** | June 2024 | Huawei Developer Conference (華為開發者大會) |
| **Best Chinese Animation IP Game of 2024 (2024年度最佳國漫IP遊戲) Soul Land: Shrek Academy (斗羅大陸:史萊克學院)** | June 2024 | Huawei Developer Conference (華為開發者大會) |
| **Top10 Excellent and Leading Game Enterprise (強基領航遊戲企業Top10)** | July 2024 | CGDC China Game Market Data Insight Forum (CGDC中國遊戲市場數據洞察論壇) |
| **White Horse Award for 2024 Chinese Game Enterprises (2024年度中國遊戲企業白馬獎)** | July 2024 | CGDC China Game Market Data Insight Forum (CGDC中國遊戲市場數據洞察論壇) |
| **Mobile Hardcore Alliance Annual Best Partner in the 8th Black Stone Awards (第八屆黑石獎硬核年度最佳合作夥伴公司)** | July 2024 | Mobile Hardcore Alliance (硬核聯盟) |
| **Mobile Hardcore Alliance Most Anticipated Game of the Year in the 8th Black Stone Awards (第八屆黑石獎硬核年度最受期待遊戲) Legend of Sword and Fairy: World (仙劍世界)** | July 2024 | Mobile Hardcore Alliance (硬核聯盟) |

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 Prompt Specification (《遊戲適齡提示規範》), Parental Monitoring Platform Specification (《家長監護平台規範》), Online Game Terminology (《網絡遊戲術語》) Group Standards 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 or health 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 antivirus 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.

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, extortion, money laundering 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 2024, a total of 13 "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, Heyuan of Guangdong, Jizhou of Tianjin, Ji'an of Jiangxi and Huayuan of Hunan.

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. In which, 26 employees participated in the CMGE Dream Libraries Plan (中手游築夢圖書館計劃), "A Warm Feeling, to Build Love Together (月圓情暖,共築愛心)" and "Have a Merry Christmas, and Guard the Children's Dreams (誕願有你,守護童夢)", for about 114 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 RMB125,000 in total to support local economy and provide social benefits to the disadvantaged groups in Mainland China and Hong Kong.

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 (社會責任獎) in the Golden Diamond Award (金鑽榜) organised by the Guangdong Entertainment & Game Industry Association (廣東省遊戲產業協會); the Most Socially Responsible Company (最具社會責任企業) awarded by Shenzhen Futian General Chamber of Commerce (深圳市福田區總商會); the Enterprise with Outstanding Performance on Corporate Social Responsibility 2023 (2023年社會責任表現突出企業) in the 2023 China Gaming Corporate Social Responsibility Report (2023中國遊戲企業社會責任報告) released by Gamma Data on 5 February 2024; the ESG Comprehensive Governance Benchmark Enterprise (ESG綜合治理標杆企業) at the 2024 Service Trade Fair China International Economic Management Technology Forum (2024服貿會•中國國際經濟管理技術論壇) hosted by The Economic Observer (經濟觀察報); the Most Socially Responsible Listed Company (最具社會責任上市公司獎) at the 12th Annual Capital Power Brand Activity (第十二屆資本力量年度品牌活動) hosted by the Stockstar (證券之星); the Annual Social Responsibility Award (年度社會責任獎) at Guruclub (金格獎) hosted by Gelonghui (格隆匯); the Outstanding Enterprise of Social Responsibility of 2024 (2024年度社會責任傑出企業) at Golden i Award (金i獎) hosted by the China Internet Weekly (互聯網週刊).

Looking forward, 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.

## ESG REPORTING CODE CONTENT INDEX

| | | Mandatory Disclosure Requirements | Sections for reference |
|---|---|---|---|
| **Governance Structure** | 13 | A statement from the board containing the following elements:<br>(i) a disclosure of the board's oversight of ESG issues;<br>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and<br>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | ESG Structure |
| **Reporting Principles** | 14 | A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:<br><br>**Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.<br>**Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.<br>**Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | Preparation Basis of the Report |
| **Reporting Boundary** | 15 | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | Reporting Scope and Reporting Period |

| Items | | "Comply or explain" Provisions | Sections for reference |
|---|---|---|---|
| **A. Environmental** | | | |
| **A1: Emissions** | | | |
| **General Disclosure** | | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air 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 |
| | A1.3 | 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 emission 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** | | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Environment and Natural Resources |
| **KPIs** | 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 |
| **B. Social** | | | |
| **B1: Employment** | | | |
| **General Disclosure** | | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>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 |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **B. Social** | | | |
| **B2: Health and Safety** | | | |
| **General Disclosure** | | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>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:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>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 |

| 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, and 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:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>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 |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **B. Social** | | | |
| **B7: Anti-corruption** | | | |
| **General Disclosure** | | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>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 |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **Governance** | | | |
| | 19. | An issuer shall disclose information about: | ESG MANAGEMENT |
| | (a) | the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: | |
| | (i) | how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; | |
| | (ii) | how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; | |
| | (iii) | how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; | |
| | (iv) | how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and | |
| | (b) | management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: | |
| | (i) | whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and | |
| | (ii) | whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **Strategy** | | | |
| **Climate-related risks and opportunities** | 20. | An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: | Summary of Climate-related Risks and Opportunities<br><br>Our disclosure includes the anticipated impacts of climate-related risks and opportunities on our financial position, financial performance and cash flows over the short, medium and long term. In future reports, we will evaluate the feasibility of disclosing the financial impacts of climate-related risks and opportunities, as well as other relevant aspects. |
| | (a) | describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; | |
| | (b) | explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; | |
| | (c) | specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and | |
| | (d) | explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | |
| **Business model and value chain** | 21. | An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: | |
| | (a) | a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and | |
| | (b) | a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **Strategy** | | | |
| **Strategy and decision-making** | 22. | An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: | |
| | (a) | information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: | |
| | (i) | current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; | |
| | (ii) | current and anticipated adaptation and mitigation efforts (whether direct or indirect); | |
| | (iii) | any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and | |
| | (iv) | how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and | |
| | (b) | information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). | |
| | 23. | An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(II) Strategy** | | | |
| **Financial position, financial performance and cash flows** | 24. | An issuer shall disclose qualitative and quantitative information about: | Our disclosure includes the anticipated impacts of climate-related risks and opportunities on our financial position, financial performance and cash flows over the short, medium and long term. In future reports, we will evaluate the feasibility of disclosing the financial impact of climate-related risks and opportunities, as well as other relevant aspects. |
| | (a) | how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and | |
| | (b) | the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. | |
| | 25. | The issuer shall provide qualitative and quantitative disclosures about: | |
| | (a) | how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: | |
| | (i) | its investment and disposal plans; and | |
| | (ii) | its planned sources of funding to implement its strategy; and | |
| | (b) | how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(II) Strategy** | | | |
| **Climate resilience** | 26. | An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: | |
| | (a) | the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: | |
| | (i) | the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; | |
| | (ii) | the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and | |
| | (iii) | the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(II) Strategy** | | | |
| **Climate resilience** | (b) | how and when the climate-related scenario analysis was carried out, including: | In future reports, we will conduct climate-related scenario analysis and disclose relevant results. |
| | (i) | information about the inputs used, including:<br>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;<br>(2) whether the analysis included a diverse range of climate-related scenarios;<br>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;<br>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;<br>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;<br>(6) time horizons the issuer used in the analysis; and<br>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); | |
| | (ii) | the key assumptions the issuer made in the analysis; and | |
| | (iii) | the reporting period in which the climate-related scenario analysis was carried out. | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(III) Risk Management** | | | |
| | 27. | An issuer shall disclose information about: | In future reports, we will conduct climate-related scenario analysis and disclose relevant results. |
| | (a) | the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: | |
| | (i) | the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); | |
| | (ii) | whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; | |
| | (iii) | how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); | |
| | (iv) | whether and how the issuer prioritises climate-related risks relative to other types of risks; | |
| | (v) | how the issuer monitors climate-related risks; and | |
| | (vi) | whether and how the issuer has changed the processes it uses compared with the previous reporting period; | |
| | (b) | the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and | |
| | (c) | the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(IV) Metrics and targets** | | | |
| | 28. | An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of $CO_2$ equivalent, classified as: | Greenhouse gas emissions |
| | (a) | Scope 1 greenhouse gas emissions; | |
| | (b) | Scope 2 greenhouse gas emissions; and | |
| | (c) | Scope 3 greenhouse gas emissions. | |
| | 29. | An issuer shall: | GHG emissions;<br>Scope 3 Reporting boundary;<br>Our approach |
| | (a) | measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; | |
| | (b) | disclose the approach it uses to measure its greenhouse gas emissions including: | |
| | (i) | the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; | |
| | (ii) | the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and | |
| | (iii) | any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; | |
| | (c) | for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and | |
| | (d) | for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(IV) Metrics and targets** | | | |
| **Climate-related transition risks** | 30. | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. | We will actively collect relevant information and disclose it where practicable. |
| **Climate-related physical risks** | 31. | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. | |
| **Climate-related opportunities** | 32. | An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | |
| **Capital deployment** | 33. | An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | |
| **Internal carbon prices** | 34. | An issuer shall disclose: | We currently do not incorporate internal carbon prices into our decision-making process. We will explore the use of internal carbon prices in the future. |
| | (a) | an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and | |
| | (b) | the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; | |
| | | or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | |
| **Remuneration** | 35. | An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv). | We will explore the feasibility of enhancing our remuneration policies by incorporating climate-related metrics into senior management remuneration. |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(IV) Metrics and targets** | | | |
| **Industry-based metrics** | 36. | An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | We will review the internal information and disclose the KPIs as appropriate to ensure transparency and compliance. |
| **Climate-related targets** | 37. | An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: | |
| | (a) | the metric used to set the target; | |
| | (b) | the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); | |
| | (c) | the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); | GHG emissions targets |
| | (d) | the period over which the target applies; | |
| | (e) | the base period from which progress is measured; | |
| | (f) | milestones or interim targets (if any); | |
| | (g) | if the target is quantitative, whether the target is an absolute target or an intensity target; and | |
| | (h) | how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(IV) Metrics and targets** | | | |
| **Climate-related targets** | 38. | An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: | |
| | (a) | whether the target and the methodology for setting the target has been validated by a third party; | As we move forward, we will explore the feasibility of having our targets validated by a third party. |
| | (b) | the issuer's processes for reviewing the target; | GHG emissions targets |
| | (c) | the metrics used to monitor progress towards reaching the target; and | GHG emissions targets |
| | (d) | any revisions to the target and an explanation for those revisions. | GHG emissions targets |
| | 39. | An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | GHG emissions targets |
| | 40. | For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: | |
| | (a) | which greenhouse gases are covered by the target; | GHG emissions targets |
| | (b) | whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; | GHG emissions targets |
| | (c) | whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; | GHG emissions targets |
| | (d) | whether the target was derived using a sectoral decarbonisation approach; and | GHG emissions targets |

| Items | | Descriptions | Sections for reference |
|---|---|---|---|
| **D. Climate-related Disclosures** | | | |
| **(IV) Metrics and targets** | | | |
| **Climate-related targets** | (e) | the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: | Summary of Climate-related Risks and Opportunities |
| | (i) | the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; | Summary of Climate-related Risks and Opportunities |
| | (ii) | which third-party scheme(s) will verify or certify the carbon credits; | Summary of Climate-related Risks and Opportunities |
| | (iii) | the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and | Summary of Climate-related Risks and Opportunities |
| | (iv) | any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). | Summary of Climate-related Risks and Opportunities |
| **Applicability of cross-industry metrics and industry-based metrics** | 41. | In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36). | Not applicable |