gameone

Gameone Holdings Limited

智 傲 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2023

Environmental, Social and Governance Report

Gameone Holdings Limited (the "**Company**"), together with its subsidiaries (collectively, the "**Group**"), is pleased to present its annual Environmental, Social and Governance ("**ESG**") report for the year ended 31 December 2023 (the "**report**"), which has been prepared in accordance with the latest disclosure requirements of the Environmental, Social, and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Group has complied with the disclosure requirements of the "comply or explain" provisions set out in the ESG Reporting Guide. For details in relation to our financial performance and corporate governance, please visit our website at www.gameone.com.hk and/or our Annual Report.

The board of directors of the Company (the"**Board**") has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

THE YEAR IN REVIEW

We are an integrated game developer, operator and publisher focusing on the market of Hong Kong and other countries and regions. We operate and publish our self/co-developed and licensed games in Hong Kong and China Taiwan primarily through our game distribution platforms as well as other third-party distribution platforms. We collect payments from players either through our own game distribution platforms, third-party distribution platforms such as Apple Store and Google Play, or third-party payment vendors, which include convenience stores selling prepaid game cards/vouchers. We consider such integration of upstream and downstream services in the value chain of the game industry has provided us with a better market position. Starting from 2022, we have developed the business in relation to development and marketing of e-commerce and cybersecurity technology in the People's Republic of China ("**PRC**") market. We provide technical services and collect payments from e-commerce customers and help these customers to increase their sales in Douyin and Kuaishou platform. We provide software services to cybersecurity customers to help them avoid cyberattacks.

In 2022, we have established our headquarter, Zhejiang Gameone Holding Group Limited, in Linping District, Hangzhou City, Zhejiang Province. Through market development throughout 2022, we have opened up the situation in the China mainland market and expanded our revenue level. We commence to provide software services in the PRC.

In order to increase our market share in the mobile game industry, we plan to expand our business through both organic growth and strategic partnerships. We intend to selectively invest in or enter into strategic partnerships with complementary game developers, development teams, other game operators and distributors in order to broaden the scope, spectrum and reach of our games, particularly mobile games. The Board will closely monitor the performance of the Group and the Group will continue to pursue the key business strategies to expand its gaming portfolio through introducing more high-quality licensed games with a focus on mobile games, to consolidate market position and to enhance marketing efforts.

INTRODUCTION TO REPORTING

REPORTING PERIOD

The ESG report illustrates the Group's initiative and performance regarding the environmental and social aspects during the reporting period from 1 January 2023 to 31 December 2023 ("**FY2023**").

SCOPE

This ESG report covers the Group's major subsidiaries that operated in Hangzhou, Hong Kong and Taiwan in the PRC during FY2023. The Group has determined the scope of the Report based on the corresponding importance of the business segments to our business and operations, and their impact on sustainability. During the year, the scope of the Report has been concentrated to our business operation in Hangzhou, in order to present a more comprehensive picture of the Group's sustainability performance. A checklist of the ESG Reporting Guide is provided at the end of this report, which demonstrates our current level of compliance with the Stock Exchange's ESG Reporting Guide.

During the process of preparation of this report, we summarized the Group's performance in corporate and social responsibilities based on the principles of "Materiality, Quantitative, Balance and Consistency". Please refer to the table below for our understanding and response to such reporting principles.

Reporting Principles	Definitions	Our Response
Materiality	The issues covered in this report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Through continuous communication with stakeholders, combined with the Group's strategic development and business operations, we can identify current material sustainable development issues.
Quantitative	The report should disclose key performance indicators ("**KPIs**") in a measurable manner.	The Group quantitatively discloses its environmental and social KPIs, and provides textual explanations on quantitative resources.
Balance	The report should reflect fairly the overall sustainability performance of the Group.	The Group has explained in detail the sustainable development issues that have a significant impact in the business, including the results achieved and the challenges it faces.
Consistency	The Group should use consistent disclosure principles for the preparation of the report.	The Group will ensure that the disclosure scope and reporting methods of the report are generally consistent every year.

SOURCES OF INFORMATION

The information disclosed in this ESG Report is derived from the Group's archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group's audited annual financial statements for the year ended 31 December 2023. The Board is responsible for the truthfulness, accuracy and completeness of its contents.

ACCESS TO THIS REPORT

The ESG Report is available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail. You may access the Group's official website at http://www.gameone.com.hk or the website of the Stock Exchange at http://www.hkex.com.hk for an electronic copy of the ESG Report.

FEEDBACK

We welcome your feedback and comments on the Group's sustainability report and/or our sustainability performance. Please send us your views via email at goinfo@gameone.com to our Customer Service Manager, which can help us further improve the Report and enhance the Group's sustainability performance.

OUR ESG AGENDA

"To support, to give back and to strive for environmental and social resilience within our community through our governance policies" is our motto for this financial year.

The Group has been considering environmentally and socially conscious decisions in all aspects of operations. The Group has been focusing to PRC at the end of year in terms of administrative and business operations and human resources management. This new mode of business operations allows the Group to be sustainable and adaptative to every opportunity encountered.

SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG management, our ESG governance structure, composed of the Board, ESG working group, respective functional departments and subordinate companies, was established to promote ESG management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance. The Board steers the Group's sustainable development forward and bears the overall responsibility of its ESG efforts. In the future, the Board will continue to strengthen ESG risk management and improve ESG working mechanism and regulatory processes to enhance its ESG governance standard. By the delegation of authority of the Board, we have set up an environmental, social and governance working group ("**ESG Working Group**") which composes members from middle and senior management to assist the Board in managing and implementing ESG-related management approach, strategies, and goals and targets. The ESG Working Group will regularly discuss with and advise the Board on ESG-related issues:

- Developing and reviewing the Group's sustainability strategy, priorities, goals, and targets (including but not limited to green targets, for which please refer to the section headed "Environmental Protection");
- Identifying, reviewing, and managing material ESG-related risks (including but not limited to climate-related risks and ESG risks in the supply chain);
- Planning, reviewing, and monitoring the implementation of ESG-related policies and practices to ensure compliance with laws and regulations;
- Monitoring and reviewing the Group's ESG performance and progress against the established ESG-related targets and goals;
- Reviewing and monitoring the Group's stakeholder engagement channels to ensure effective communication with key stakeholders;
- Assisting in the collection of ESG data from different functional departments of the Group;

- Managing and monitoring the implementation of ESG measures and coordinating with relevant functional departments of the Group to ensure that their ESG practices are aligned with the Group's sustainability approaches;

- Preparing an annual ESG report for approval by the Board.

The Board	To take overall responsibility for sustainability issues and oversee the Group's sustainability issues
ESG Working Group	By the delegation of authority from the Board, to assist the Board in managing and monitoring ESG issues, including but not limited to the implementation and progress of ESG policies and measures
Functional Departments	To assist the ESG Working Group in guiding departments to implement ESG

The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities. The ESG Working Group is responsible for identifying material ESG-related risks with the assistance of a third-party sustainability professional consultant, including but not limited to climate-related risks and ESG risks in the supply chain, and incorporating them into our risk management system. The annual risk assessment will cover and assess all potential risks that may have an impact on the Group's business. Based on industry analysis, stakeholder opinions, and ESG trends, we identify ESG risks that are relevant to the Group and prioritize them by assessing their potential impact on the Group. We then submit an ESG-related risk assessment report to the Board. The Board will regularly review the effectiveness of the measures and make relevant recommendations when necessary.

MATERIALITY ASSESSMENT

In addition to the regular communication channels mentioned above, to ensure the disclosure of the Group's important and relevant sustainability topics in the Report, we engaged an independent sustainability consultant during the FY2023 to assist the Group in conducting a materiality assessment. Through an online stakeholder survey, we collected valuable feedback and expectations from stakeholders on the Group's sustainability strategy and performance, which helped us to improve our sustainability management approaches and strategies to meet the expectations of our stakeholders.

We have taken four steps to conduct the materiality assessment:

Step 1 Issue identification

- The Group identified the following 23 ESG-related issues in accordance with the disclosure requirements set out in the ESG Reporting Guide and based on the business characteristics and daily operation of the Group. These issues are considered to have impacts on the environment and the society during our operation.

Step 2 Stakeholder feedback

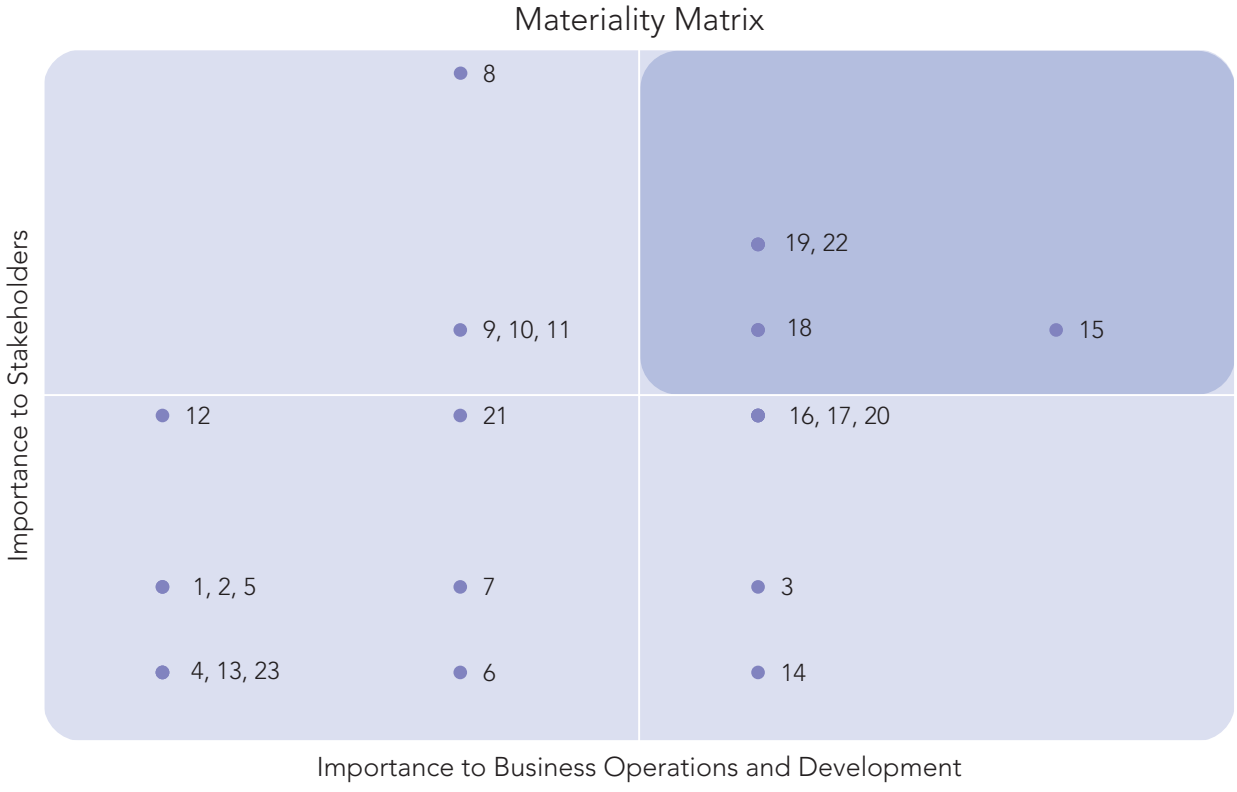
- Key stakeholders from various categories were invited to participate in an online survey to rate the importance of various ESG-related issues to the Group.

Step 3 Issue prioritization

- Quantitative analysis and prioritization were carried out based on the two parameters, namely stakeholder's score for the materiality of ESG-related issues and the score for the materiality of the issues to the Group.

Step 4 Analysis and disclosure

- In a materiality matrix, 4 ESG-related issues of greater importance to the Group and all stakeholders were identified and presented to the ESG Working Group for discussion and confirmation.



Environmental Aspects						Social Aspects					
1	Air emissions	5	Climate change risks	8	Employee welfare	12	Employee development and training	16	Customer service and improving user experience	20	Marketing and advertising
2	Waste	6	Green procurement	9	Equal opportunity, diversity, anti-discrimination	13	Employment compliance	17	Product safety and quality	21	Anti-monopoly and anti-unfair competition
3	Carbon emission and energy	7	Environmental risks in the supply chain	10	Occupational health and safety	14	Social risks in the supply chain	**18**	**Product innovation**	**22**	**Anti-corruption**
4	Water resource			11	Employees' physical and mental health	**15**	**Information protection and cybersecurity**	**19**	**Intellectual property protection**	23	Community investment

According to the results of materiality assessment, 4 material topics (note) are regarded as the most concerned issues of stakeholder and the Group. While taking into account environmental and social responsibilities, the Group will pay more attention to the above areas, and strive to achieve continuous improvement and sustainable business development.

Note: Presented in bold.

FOCUS ON ENVIRONMENTAL PROTECTION

To reduce the impact of our Group's operation on the environment, the Group actively manages the environmental footprint of its business and responds to climate change, and is committed to developing its brands and expanding its business without compromising the environment. Therefore, we strive hard to integrate environmental sustainability into our business operations by implementing various mitigation and improvement measures in the aspects of energy conservation, waste management and use of resources, aiming to improve the environmental performance of our business operations. The Group has set the following green targets, with the hope of further promoting environmental protection. We have also developed environmental guidelines that encourages employees to develop environmental practices, including saving energy, water, paper, recycling and reuse of waste, environmental management, and greening our offices.

GREEN TARGETS

To review our current measures and seek further opportunities to contribute to our sustainability goals, we conducted a comprehensive review during the FY2023 and disclosed for the first time the progress and performance against each of green targets. We will regularly monitor the progress against our targets and continue to strive for improvement to enhance our environmental performance.

Green Targets (note 1, 2)		Progress in 2023	Performance	Key Measures
Emissions	Total greenhouse gas ("**GHG**") emission intensity is maintained at 91% of the baseline year of 2022	18% (i.e. maintained at 118% of the baseline year)	Achieved	Control air pollutant emissions and GHG emissions at the source *For more information, please refer to the section headed "Emissions and Energy Use".*
Waste	Total non-hazardous waste intensity is maintained at 100% of the baseline year of 2022	25% (i.e. maintained at 125% of the baseline year)	Exceeded	Promote recycling *For more information, please refer to the section headed "Waste Management"*
Energy use	Total energy consumption intensity is maintained at 89% of the baseline year of 2022	–29% (i.e. maintained at 71% of the baseline year)	Exceeded	Implement energy-saving measures *For more information, please refer to the section headed "Emissions and Energy Use".*
Water consumption	Total water consumption intensity is maintained at 86% of the baseline year of 2022	–10% (i.e. maintained at 90% of the baseline year)	Achieved	Promote water resource recycling and improve water efficiency *For more information, please refer to the section headed "Water Resources Management".*

Note 1 Intensity refers to the total emissions and/or consumption related to our main business per full-time employee.

Note 2 Total GHG emissions cover both Scope 1 and Scope 2 total GHG emissions.

ENVIRONMENTAL COMPLIANCE

The Group strictly complies with applicable environmental laws and regulations, including the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Air Pollution", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", and the "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution". During the Reporting Period, we were not aware of any material cases of serious violations of relevant environmental laws and regulations by the Group.

CLIMATE CHANGE

The Group is committed to mitigating the climate change and enhancing its resilience to adapt to the increasing threat of climate-related consequences.

The processes used to identify, evaluate and manage significant risks (including significant climate-related issues) by the Group are summarised as follows:

Risk management and internal control systems are designed and put in place with a view to safeguard the Group's assets and business operations. In order to successfully implement, support and sustain the risk management process, the Group has taken into account the factors including risk-aware culture, risk prioritisation, as well as allocation of roles and responsibilities. The systems are featured with defined organisational and management structure with authorities properly delegated to qualified personnel from different management levels within the Group.

The regular monitoring of the risk management and internal control systems is mainly conducted by the delegated executive directors and senior management. With the oversight of the Audit Committee, the delegated executive directors lead the senior management in overseeing the design, implementation and monitoring of the risk management and internal control systems.

Executive directors of the Company determine the business strategies and objectives of the Group, and evaluate and determine the nature and extent of risks the Group is willing to take in achieving the Group's strategic objectives and therefore are accountable for the effectiveness of the risk management.

Senior management from different departments identifies and evaluates the risks which may potentially impact the major business processes, including key operational and financial processes, regulatory compliance and information security, monitors the risks and takes measures to mitigate risks in daily operations.

Periodic meetings are held between the delegated executive directors and senior management. Standing instructions have been provided to management of the Group that if any material issue relating to risk management and internal control systems that may have or have had a material impact on the business of the Group arise, it should be reported on a timely basis.

As a result of above risk management process, physical risk and transitions risks arising from climate change may not bring significant impacts to the Group's business. As a supporter of the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD), the Group has assessed the potential climate related risks and identified the rising mean temperature and increasing severity and likelihood of extreme weather events such as rainstorms, floods, fire and heatwaves as major physical risks impacting our daily operation.

The Group's ESG working group is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed, and updating the Board with the latest news and developments on climate regulations and industry benchmark. In order to cope with climate-related risk, we are closely monitoring our GHG emissions which can intensify the impacts of climate change, setting out working arrangement guidelines and contingency plans across the Group for our staff in times of typhoons and rainstorms in the view of increasing occurrence of climate change-induced extreme weather events, procuring local raw materials and products to reduce the GHG emissions during the delivery process and also exploring other innovate measures to mitigate climate change impacts. In addition, we strictly comply with relevant laws and regulations related to climate change, such as the "Law of the People's Republic of China on the Prevention and Control of Air Pollution", and will continue to review the latest status of laws, regulations and regulatory requirements related to climate change to prepare for climate change.

In the future, we will continue to identify potential business activities impacting the environment and develop corresponding improvement measures, so as to further prevent the possible negative impacts of our operation on climate change.

EMISSIONS AND ENERGY USE

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavours to minimise the environmental impact of the business activities and maintain green operations and green office practices.

We are committed to improving energy efficiency and reducing energy consumption, as well as reducing air pollutants and GHG emissions in our operations. As our core business is the development, operation, and distribution of digital games, the main sources of GHG emissions are electricity consumption and the usage of company vehicles for transferring our management, customers, and employees. To effectively reduce GHG emissions, we have implemented a series of energy-saving and emission-reducing measures to further reduce our carbon footprint, including but not limited to:

- Posting reminders next to light switches to remind employees to turn off lights, fans, or air conditioners before leaving the office;
- Prioritizing energy-efficient appliances, such as LED light bulbs, by referring to energy labels when purchasing appliances;
- Adjusting indoor temperatures to a reasonable level to avoid excessively low temperatures;

- Encouraging employees to use natural lighting as much as possible (rather than electric lighting) and develop energy-saving habits;
- Keeping lighting equipment clean to achieve maximum lighting efficiency;
- Turning off all idle electrical appliances such as radios, televisions, audio equipment, and computers.

The greenhouse gas ("**GHG**") emission from the operation during FY2023 and the corresponding period in 2022 are set out below:

GHG Emission **Type of GHG emissions** (note 6, 7, 8)	**Equivalent CO_2 emission (tonne) 2023**	Equivalent CO_2 emission (tonne) 2022
Scope 1 Direct emissions[2]	**12.58**	11.22
Scope 2 Indirect emissions	**83.00**	80.00
Total	**95.58**	91.22
Intensity (tonnes/average employee)	**2.14**	1.82

Note 3 The figures may not sum up to the total due to rounding.

Note 4 Due to business adjustments during the Reporting Period, the reported data for both years are not directly comparable.

Note 5 The environmental intensity indicators in this chapter are based on the number of full-time employees in our major businesses, unless otherwise stated.

Note 6 Due to the nature of our business, as the GHG emissions (Scope 3) from electricity consumed in fresh water and sewage processing accounted for insignificant proportion of our GHG emissions, the total GHG emissions only cover direct emissions (Scope 1) and indirect emissions (Scope 2). The data on the total GHG emissions and their intensity for 2022 have been adjusted accordingly.

Note 7 According to the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and the World Resources Institute, GHG emissions (Scope 1) are direct emissions generated by the operations that are owned or controlled by the Group, while GHG emissions (Scope 2) are indirect emissions generated by the emissions of electricity consumed (purchased or acquired) by the Group.

Note 8 The data on the total GHG emissions (Scope 1 and 2), direct emissions (Scope 1) and the total GHG emissions (Scope 1 and 2) and their intensity for 2022 have been adjusted to reflect actual situations.

Major air pollutants emission from a vehicle and consumption of towngas during FY2023 and the corresponding period in 2022 are as follows:

Air Pollutant Emission		
Type of Air Pollutants (note 9)	**Air Pollutant Emission (kg) 2023**	Air Pollutant Emission (kg) 2022
Nitrogen Oxides	**2.41**	2.32
Sulphur Dioxide	**0.08**	0.07
Particulate Matter	**0.19**	0.17

Energy consumption by the Group during FY2023 and the corresponding period in 2022 are set out below:

Energy Consumption		
Type of energy (note 10, 11)	**Energy consumed (MWh) 2023**	Energy consumed (MWh) 2022
Electricity	**84.40**	117.91
Diesel	**33.00**	31.93
Unleaded petrol	**0.00**	9.50

Note 9 The data on air emissions for 2022 have been adjusted to reflect actual situations.

Note 10 As the electricity supply for the Hangzhou office is controlled by the property management company, which is unable to provide individual tenants with electricity consumption data or sub-meters, the electricity data do not cover Hangzhou operations.

Note 11 The data on total energy consumption, unleaded petrol, diesel and intensity of total energy consumption for 2022 have been adjusted to reflect actual situations.

WASTE MANAGEMENT

The Group is committed to promoting responsible waste management and reducing waste generation. The non-hazardous waste produced by the Group was mainly the paper waste produced in daily office operations. All waste is properly disposed of in strict compliance with the laws, regulations and standards related to waste disposal. We make good use of technology to reduce resource consumption and strive to create a paperless working environment. We have put in place a series of measures as follows:

- Replacing all printed GO Card with digital GO Card selling on online platforms
- Encouraging employees to reuse single-side-printed paper to reduce paper consumption
- Placing collection boxes of paper products in office for recycling purpose
- Replacing printed documents with digital documents

Due to the nature of our business, the Group is principally engaged in development, operation and publishing of digital games. Therefore, during the Reporting Period, the Group was not aware of any significant hazardous waste generated in its operations. In addition, as all physical GO Cards have been replaced with digital GO Cards, the Group was not aware of any significant use of packaging materials during the Reporting Period.

Non-hazardous Waste (note 12, 13, 14)	**Water consumed (tonne) 2023**	Water consumed (tonne) 2022
Total non-hazardous waste	**2.21**	2.06
Intensity of total non-hazardous waste	**0.05**	0.04

Note 12 Due to business adjustments during the Reporting Period, the reported data for both years are not directly comparable.

Note 13 The data on non-hazardous waste for 2022 have been adjusted to reflect actual situations.

Note 14 The environmental intensity indicators in this chapter are based on the number of full-time employees in our major businesses, unless otherwise stated.

WATER RESOURCE MANAGEMENT

The Group continues to make efforts to conserve water resources and to seek opportunities to optimise water efficiency, especially in our catering operations. The Group's water is sourced from government agencies. During FY2023, we did not encounter any issue in sourcing water that is fit for purpose. In order to conserve water resources and reduce indirect consumption during water treatment processes, we have taken the following measures to encourage employees to save water:

- Posting labels in the office to encourage employees to save water
- Repairing leaking pipes or fixtures in a timely manner to reduce the wastage of freshwater
- Regularly checking the water usage and conducting inspections and follow-ups as needed

Water Consumption (note 15, 16)	**Water consumed (tonne) 2022**	Water consumed (tonne) 2021
Total water consumption	**56.00**	62.50
Intensity of total water consumption	**1.12**	1.25

Note 15 The environmental intensity indicators in this chapter are based on the number of full-time employees in our major businesses, unless otherwise stated.

Note 16 The water supply for the Hangzhou and Taiwan offices shall be controlled by the property management company. However, as the management company has not been able to provide water consumption data or sub-meter for individual occupant, water consumption data do not cover Hangzhou and Taiwan operations.

THE ENVIRONMENT AND NATURAL RESOURCES

We promise to make continuous efforts on environmental protection in the coming future for the mutual sustainability of our business and the environment. Based on our business nature, our activities are mostly held online, which we believe that our activities do not pose significant impacts on the environment and natural resources. However, in order to preserve environmental and natural resources, we have also developed the environmental guideline for our employees to comply with. The guideline encourages our staff to:

- Switch off all idle appliances before leaving the office;
- Procure electrical appliances with high energy efficiency;
- Maintain air-conditioning at a reasonable temperature level;
- Carry out regular checks and maintenance on electrical appliances to avoid any energy inefficiency;
- Avoid overuse of water, electricity and paper products;
- Promote multiple use and recycling of paper products;
- Regularly monitor the level of usage of electricity and water;
- Plant more plants in the office to promote green office and improve indoor air quality.

FOCUS ON PEOPLE-ORIENTED PRINCIPLE

Our professional and talented team is the key to the continuous success of the Group's business. In order to grow together with our employees, we continuously improve our human resources development and provide various professional knowledge and training opportunities to our employees, hoping to help them realize their full potential. At the same time, we adhere to a diverse, fair, and inclusive working environment, and are committed to creating a friendly and harmonious workplace.

EMPLOYMENT COMPLIANCE

The Group strictly abides by relevant laws and regulations such as the "Labor Contract Law of the People's Republic of China" and the "Regulation on Public Holidays for National Annual Festivals and Memorial Days". We are committed to providing equal opportunities for our employees and have established the "Employee Handbook" and "Human Resources Management System" covering issues related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal employment opportunities, diversity, employee code of conduct, anti-discrimination, and other benefits and welfare, to ensure that our employees are not subjected to any form of discrimination based on gender, age, race, nationality, marital status and other factors in their work.

For recruitment and dismissal process, the Group goes through the procedures according to the human resources policies stated internally. During the recruitment process, we seek and select the best candidates based on their qualifications, experiences, knowledge, skills and other standards, ensuring that equal opportunities are provided to all applicants. For compensation and dismissal, if employees act improperly or are in breach of contract terms and code of conduct, adequate investigation will be conducted by us before giving an exhortation or a warning, or even suspending them from their duties or terminating labor contracts with them, depending on the impact of the violation and the degree of losses arising out of the violation. Compensations are provided to those dismissed employees when applicable according to the relevant laws and regulations.

During FY2023, we were not aware of any significant non-compliance or violation of laws relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

EMPLOYMENT PROFILE

Below is a detailed breakdown of our employees by gender, employment type, age group and geographical region. as at 31 December 2023 and 2022:

	2023 Number of staff	**% of total**	2022 Number of staff	% of total
By gender				
Male	**10**	**37%**	35	70%
Female	**17**	**63%**	15	30%
Total number of employees	**27**	**100%**	50	100%
By age group				
30 or below	**15**	**56%**	12	24%
31-40	**5**	**19%**	22	44%
41-50	**6**	**21%**	8	16%
51-60	**1**	**4%**	5	10%
61 or above	**0**	**0%**	3	6%
Total	**27**	**100%**	50	100%
By employment type				
Full-time	**27**	**100%**	50	100%
Part-time	**0**	**0%**	0	0%
Total	**27**	**100%**	50	100%
By geographical region				
Mainland China	**22**	**81%**	3	6%
Hong Kong	**5**	**19%**	44	88%
Taiwan	**0**	**0%**	3	6%
Total	**27**	**100%**	50	100%

Note 17 The number of employees covers the data of all staff of the Group.

Below is a detailed breakdown of our employees turnover rate by gender and age group as at 31 December 2023 and 2022:

	2023	2022
Overall turnover rate	**46%**	10%
Turnover rate by gender		
Male	**71%**	11%
Female	**N/A**	7%
Turnover rate by age group		
30 or below	**N/A**	17%
31-40	**77%**	9%
31-50	**25%**	13%
51-60	**80%**	0%
61 or above	**100%**	0%
By geographical region		
Mainland China	**N/A**	0%
Hong Kong	**89%**	11%
Taiwan	**100%**	0%

EMPLOYEE BENEFITS

The Company places great importance on talent reserves and sustainable corporate culture. We provide our employees with diversified compensation and benefits, including medical insurance plans, labor insurance, retirement benefits, annual bonuses, overtime compensation and paid leave. The Group strictly abides by labor laws and regulations that are relevant to each of our businesses, covering all employment guarantees and benefits. In accordance with the "Regulation on Public Holidays for National Annual Festivals and Memorial Days", we provide statutory holidays for our employees. Employees may also apply for sick leave, maternity leave and annual leave as needed. In addition, the Group organizes team-building activities, such as holiday celebrations, from time to time, to strengthen relationships among employees and allow them to relax. Furthermore, we offer promotion opportunities to outstanding employees to attract and retain talents. The Group has developed the "Personnel Promotion Management System" and established a promotion assessment team to regularly evaluate employee performance and carry out promotion work.

Note 18 Based on the business adjustment during the Reporting Period, the reporting data for both years is not directly comparable.

Note 19 The employee turnover rate by age group for 2022 has been adjusted to ensure data comparability.

HEALTH AND SAFETY

The Group places high emphasis on the safety and well-being of our employees. We strictly comply with relevant laws and regulations such as the "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases "and are committed to taking preventive measures to minimize potential office safety risks. Our employee handbook clearly outlines response measures for employee safety, work-related injury accidents and work arrangements during adverse weather conditions to guide employees on how to respond to emergency situations.

In addition, to enhance employee fire safety awareness and prevent fire risks, we strictly prohibit smoking in office areas and require employees to turn off all electrical appliances after work. Our office and server rooms are equipped with fire extinguishers, fire hydrants and other fire-fighting equipment to prevent fire accidents. During FY2023, we arranged for employees to watch videos on fire-fighting science popularization, and fire engineering contractors registered with the Hong Kong government, conducted annual inspections and testing of the fire equipment in the building where the Company is located, to ensure that emergency equipment is adequately equipped and complete.

The Group strictly complies with the "Employees' Compensation Ordinance in Hong Kong" to report any accident to the Commissioner for Labour to contribute sufficient social insurance of work injuries of our employees. The Group also strictly complies with other relevant health and safety laws and regulations, such as the local fire services regulations, to provide a safe working environment to its employees by protecting them from occupational hazards.

During FY2023, our lost days due to work injury were nil (2022: nil). In each of the past three years (including FY2023), there were no work-related fatalities, and we were not aware of any material violation of any laws and regulations related to health and safety.

Below is those KPIs related to aspect "Health and safety" during FY2023 and the corresponding period in 2022 are set out below:

	2023	2022
Number of work-related fatalities	**Nil**	Nil
Rate of work-related fatalities	**Nil**	Nil
Number of working days lost due to work injury	**Nil**	Nil

DEVELOPMENT AND TRAINING

The Group is actively providing training and development opportunities for employees. We offer various types of training courses to employees, including vocational skills training, safety and fire awareness training, practical office software training and new employee orientation training, striving to impart industry and professional knowledge to our employees. We encourage employees to develop personal development plans based on their individual skills and provide suitable opportunities for them to achieve their goals. During FY2023, a total of 1,335 hours (2022: 1,114 hours) of training were provided to employees of the Group, to enrich their skills and knowledge.

Below is those KPIs related to aspect "development and training" during the FY2023 and the corresponding period in 2022 are set out below:

	2023	2022
Percentage of trained employees (note 20, 21, 22)		
By gender		
Male	**52.24%**	80.56%
Female	**47.76%**	19.44%
By rank		
Senior management	**17.91%**	16.67%
Middle management	**29.85%**	5.55%
General and technical employees	**52.24%**	77.78%

	2023	2022
Average training hours completed per employee (note 20, 21, 22)		
By gender		
Male	**25.99**	23.73
Female	**39.44**	11.76
By rank		
Senior management	**28.41**	0.63
Middle management	**72.46**	24.32
General and technical employees	**23.91**	23.50

Note 20 Due to business adjustments during the Reporting Period, the training data for both years are not directly comparable.

Note 21 The training data for 2022 has been adjusted to reflect actual situations and ensure data comparability.

Note 22 The data on employee training includes employees who have resigned during the Reporting Period.

LABOUR STANDARDS

The Group strictly complies with relevant laws and regulations such as the "The Law of the People's Republic of China on the Protection of Minors" and the "Labor Contract Law of the People's Republic of China", and prohibits any child labor or forced labor. During the recruitment process, our human resources department takes effective measures to verify the age of job applicants, such as checking their identification cards, to avoid hiring child labor. In our "Employee Handbook" and "Human Resources Management System", we adhere to employment standards and provide detailed regulations on working hours, rest periods, overtime arrangements, holidays, dismissal and other labor arrangements, to ensure that employees have sufficient rest days and avoid overwork or forced labor to protect their rights and interests. Through the whistle-blowing mechanism, employees are able to voice out injustice they faced. Department heads will communicate with the employees about the issue, and General Manager is responsible for further investigation to ensure that all injustice cases are tackled appropriately. If child labor below the legal minimum employment age or forced labor is discovered in the Group, we will immediately take remedial measures and terminate their employment relationship, while reviewing the loopholes in the recruitment process and conducting rectification thereon.

During FY2023, we were not aware of any major cases of non-compliance with any laws and regulations related to child labor and forced labor by the Group.

SUPPLY CHAIN MANAGEMENT

As a responsible business, the Group is committed to establishing mutually beneficial cooperation with our suppliers, with the hope to work with our suppliers to uphold our ethical values and professional standards. We formed strategic alliance with renowned game developers, distributors and operators to collectively develop high-quality licensed games and obtain exclusive game rights to enrich our product portfolio.

Below is those KPIs related to aspect "supply chain management" during FY2023 and the corresponding period in 2022 are set out below:

	Number of suppliers	
	2023	2022
Mainland China	**18**	14
Hong Kong	**14**	18
Others	**8**	7
Total	**40**	39

When selecting suppliers, we take into account the game developers' qualifications, reputation, technical requirements and quality. Only suppliers that pass the initial assessment can be included in our list of approved suppliers. We conduct regular evaluations and remove suppliers from the approved supplier list if their evaluation results are unsatisfactory, to ensure that we provide the highest quality digital games. During the Reporting Period, the Group implemented practices relating to engaging suppliers, in respect of all its suppliers. Besides the supplier selection, we also assess the quality of the digital games before we obtain the exclusive game rights as follows:

- Background checks of the game developers are conducted to investigate their product portfolio.
- Research on the local leaderboard is carried out to understand the popularity and the prospect of the targeted game in the current market.
- Internal testing is executed to ensure that the product operates as intended.

To encourage our suppliers to fulfill their social responsibilities, during FY2023, the Group improved the"Code of Conduct for Contractors/Suppliers", which requires our contractors or suppliers to operate their business in an ethical, social, and environmentally responsible way, aiming to encourage our suppliers to pursue sustainability in their daily operations. The key contents of the "Code of Conduct" are summarized below, including but not limited to:

"The Code of Conduct for Contractors/Suppliers"		
1.	Environmental Protection	Establish an effective environmental management system to (among other things) monitor and report on environmental impacts, and take appropriate measures such as proper waste management, pollution control and waste recycling to protect the environment and promote sustainable development.
2.	Labor Standards and Conventions	Adhere to the code of employment that promotes fairness, humanitarianism and nondiscrimination by establishing communication mechanisms and complaint handling procedures that allow employees to directly report concerns and complaints to management. Additionally, contractors/suppliers are prohibited from subjecting workers to any form of corporal punishment.
3.	Health and Safety	Provide a safe and healthy working environment in accordance with the applicable regulations and requirements on occupational safety and health.
4.	Business Integrity and Ethics	Conduct business with honesty, fairness, and ethical standards at all levels, including procurement, operations, and handling relationships with customers, employees, contractors/suppliers, and business partners.

In addition, with the assistance of a third-party sustainability professional consultant, we have conducted ESG-related risk assessment, and the ESG Working Group reviewed and identified the ESG-related risks, including identification of the potential ESG risks in the Group's supply chain. We also reported such risks to the Board. In order to further optimize our supplier management measures, we have also reviewed the effectiveness of control measures on a regular basis to explore room for improvement.

When selecting suppliers, we give priority to those who offer environmentally friendly products and services, such as using energy-efficient appliances or eco-friendly materials. We also consider working with suppliers who are closer to us geographically to minimize the negative impact on the environment.

PRODUCT RESPONSIBILITY

The Group regards compliance of products and services as the core of our business. We strictly comply with relevant laws and regulations such as the "Law of the People's Republic of China on Product Quality" and the "Advertising Law of the People's Republic of China". Since the Group specializes on the development, operation and publishing of digital games, we are committed to complying with and even exceeding applicable standards and quality control to ensure the Group's reputation and the public interests.

QUALITY STANDARDS

To continuously optimize customer experience and provide the best gaming experience, we have established a research and development ("**R&D**") team to constantly keep a close eye on the game content and maintain novelty of our games. Before publishing the games, our R&D team makes best efforts to fix bugs and plug the loopholes in the system. Unique and value-added features are integrated into the finalize version of the products for the sake of providing the gamers with the best gaming experience. Furthermore, we have formulated the "Guidelines for Development and R&D Department" to provide clear guidance to employees in the R&D department on how to respond to unexpected situations, such as computer intrusion or game file damage, to ensure product and service stability.

PRODUCT HEALTH AND SAFETY

Not only does the Group focus on the product quality, the Group also places huge importance on the gamers' mental health, especially for children and teenagers. As such, all of our games do not contain any nudity content, which was required in "Article 44 of the Children Protection Act" and "Electronic Game Arcade Business Regulation Act" in Taiwan. In addition, our advertisements also based on actual game content with proper endorsements.

In addition, the age restrictions for each game are also set out on our official website, with a reminder of time spent by gamers to prevent addiction to games. There is a "Game User License Agreement (遊戲用戶授權協議)" in place for each game, which prohibits users from engaging in any improper behavior during the game, including use of any words having the meaning of assault, harassment and menace, and disruption of the fairness of games.

During FY2023, we were not aware of any serious cases in relation to the Group's non-compliance with of any laws or regulations regarding the health and safety of gamers, and our games have not been recalled for safety or health reasons (2022: nil).

CUSTOMER SERVICE

In order to ensure the quality of our services, we attach great importance to the quality of customer service and customer satisfaction. Therefore, the Group has independently developed a multi-functional and comprehensive online customer service system, which eliminates the problem of not being able to receive emails due to loss during transmission and allows gamers to provide feedback and make inquiries by logging into their member accounts and then have their questions answered by a dedicated team without stepping out of their homes. Corresponding handling procedures of various kinds of enquires and compliant are maturely established to ensure that professional responses are provided for customers requirement and we promise to solve our customers' compliant within 7 to 14 days. All escalated cases would be examined thoroughly and passed to the relevant departments for developing solutions. All significant compliant and the corresponding handling results are recorded in details for our management to further follow up if necessary and for our improvement.

During FY2023, we were not aware of any case (2022: nil) of complaint reported to the Consumer Council nor the Group's Customer Services team regarding virtual items in the games.

INTELLECTUAL PROPERTY RIGHTS AND DATA PROTECTION

Protecting intellectual property is an important part of our business operations. We attach great importance to safeguarding our intellectual property and are committed to combating infringing behaviors. Therefore, we have set out our policies and principles (among other things) on the usage of computer software, copyright protection, and customer data protection etc. As to protect copyright, we have applied for 14 software copyrights during the Reporting Period, of which 4 have already obtained software copyright certificates, and the remaining 10 were obtained in January 2024. Furthermore, unless approved by the management or head of information technology department, no one is allowed to copy or modify the computer software installed.

The Group often collaborates with other gaming companies or individuals to obtain the copyright of creative work or anime characters. To ensure there is no infringement of copyright, contracts and non-disclosure agreement are signed with the relevant parties. The policies and procedures regarding the contract signing process and the right to use the copyright have been in place. We will keep updating our related policy according to the latest rules and regulations so to ensure that it is in line with the best practices.

Due to the nature of our business, the Group places great emphasis on network and information security, and strictly complies with relevant laws and regulations related to privacy protection, such as the "Personal Data (Privacy) Ordinance". We have posted a "Personal Information Collection Statement" on our official website to inform users of the purpose of data collection. We have also developed guidelines and policies on the destruction of customer information associated with game accounts that have been inactive for more than one year. The Group has established membership account regulations for users during the game account registration period, which clearly stipulate the rules for game accounts and the statements on personal data collection and privacy policy. The account users have agreed and accepted the above statements before obtaining the right to use the game account. To safeguard the employee data privacy, the employee data is only used for salary and welfare adjustment purpose and the personal data on the unsuccessful applicants will be destroyed within one year.

During FY2023, we were not aware of any serious cases in relation to the Group's material noncompliance with any laws or regulations regarding data leakage or copyright infringement.

PRODUCT RESPONSIBILITY

ADVERTISING

The Group strictly adheres to relevant laws and regulations applicable to our business such as the "Advertising Law of the People's Republic of China". We generally advertise on social media platforms and therefore, we strictly follow the advertising guidelines specified by the respective platforms to protect the rights of our customers.

As the Group does not produce physical products, the laws and regulations regarding product labeling are not applicable to us.

ANTI-CORRUPTION

We attach great importance to the construction of a culture of integrity and strictly comply with laws and regulations such as the "Criminal Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China", and the "Prevention of Bribery Ordinance of Hong Kong". We are committed to combating any form of corrupt behavior and actively promoting a culture of integrity. The Group has established a "Code of Conduct" that states clearly the Group's stance and the responsibilities of its employees. The Group severely prohibits its employees, including directors, to make inappropriate payments or to accept any forms of gifts and benefits beyond proper permission. Any gifts and benefits accepted should be promptly reported to the management for further decisions. In addition, our employees of the Group are strictly prohibited from engaging in any illegal acts, including extortion, fraud, money laundering, etc. Identified cases will be followed-up with applicable legal actions.

To raise our employees' awareness of anti-corruption, during the Reporting Period, we provided our directors and employees anti-corruption training, the content of which includes the "Anti-Corruption Programme — A Guide for Listed Companies" issued by the Independent Commission Against Corruption (ICAC) and the Prevention of Bribery Ordinance of Hong Kong. In addition, we updated our "Whistleblowing Policy" during the Reporting Period to encourage employees to report any violations of law regarding bribery, extortion, fraud, and money laundering. We value and welcome our employees to report any suspected malpractices through the contact information contained in the Whistleblowing Policy. Management, and even Audit Committee, takes immediate action to investigate the issue. The Group promises to fully support the whistleblowers and the identity of the whistleblowers is also well protected.

During FY2023, we were not aware of any material cases in relation to the Group's involvement of corruption, extortion, bribery, fraud, or money laundering, or any pending or concluded legal cases brought against us or our employees.

COMMUNITY INVESTMENT

The Group is committed to fulfilling its corporate social responsibility to the community. Over the years, we have participated in various community investment activities and actively contributed to the community.

We also took necessary and appropriate actions to ensure the safety of our employees and reduce the burden on medical services.

Furthermore, we encourage our employees to make an impact in the community by participating in volunteer services, such as donating blood for those in need.

Looking ahead, we will continue to understand needs of the community, in order to provide assistance to those in need.

APPENDIX I ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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