

Infinites Technology International (Cayman) Holding Limited 多牛科技國際(開曼)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1961



2023

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

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Approach

Infinites Technology International (Cayman) Holding Limited (hereafter referred to as “the Company”) and its subsidiaries (collectively referred to as the “Group” or “we”) are principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in the People’s Republic of China (the “PRC”) and overseas. While integrating sustainability into its business strategy, the Group has taken into account various factors, including business-related challenges, work ethics, global trends, applicable laws and regulations, etc., in order to constantly promote business growth and achieve the long-term sustainability of the Group. In this respect, the Group is constantly seeking opportunities to grow its business that will be beneficial not only to its shareholders, but also to its suppliers, customers, and the environment in which it operates.

The Group recognises its responsibilities and accountability to all its stakeholders, including customers, existing shareholders and potential investors, employees, suppliers and the local community. It is the key to the Group’s success through its understanding of the needs and expectations of its stakeholders. As each stakeholder requires a different engagement approach, we have established tailor-made communication methods to better meet each stakeholder’s needs and expectations.

Within the Group, we often keep a close eye on monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands, and environmental impacts, we are committed to continuously monitoring the risks and opportunities that exist in our daily operations, and at the same time, embracing a transparent corporate culture to ensure that our sustainability strategies are well communicated to our employees, customers, the communities and other stakeholders.

This ESG Report (“ESG Report”) is prepared based on the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”. The board (the “Board”) of directors (the “Director(s)”) has identified the material environmental, social and governance (“ESG”) issues from the annual materiality assessment exercise that involved the ESG working group. The ESG key performance indicators (“KPIs”) data are presented in specific and measurable numbers.

Reporting principles	The Group’s response
Materiality	The Group reports on issues that are considered to pose significant impacts on the environment and society and are important to stakeholders. The issues are presented together with the Group’s management measures in the ESG Report.
Quantitative	The Group ensures the KPIs are measurable and accompanied by a narrative explaining the purpose, impacts and calculation methodology. The Group has also commissioned an independent consultant to assess the carbon emissions in accordance with local and international guidelines.
Balance	The Group is committed to preparing the report on an unbiased basis. The Group ensures achievements the Group has made and the challenges it has faced are both reported.
Consistency	The Group is committed that consistent methodologies will be adopted in future reports for meaningful comparison of the Group’s ESG performance.

Approach *(Continued)*

The Group has adopted the top-down approach with regard to the following sustainability strategies which apply to all levels of the Group:

1. To achieve environmental sustainability
2. To respect human rights and social culture
3. To engage with stakeholders
4. To support our employees
5. To sustain local communities

About This Report

The Group is pleased to present its ESG Report to all its stakeholders. The content contained herein focuses on providing an overview of the ESG performance of its major operations in the PRC from 1 January 2023 to 31 December 2023 (the **“Reporting Year”** or **“2023”**). This also facilitates the Group to conduct thorough performance reviews and evaluations to enhance its overall performance results in the future. The Reporting Year coincides with the Group’s financial year.

SCOPE OF THE REPORT

This ESG Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the **“ESG Reporting Guide”**) in Appendix C2 of the Main Board Listing Rules (the **“Listing Rules”**) on the Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**). The two ESG subject areas, namely environmental and social, are disclosed separately, highlighting the impacts of the operations of the Group in the PRC during the Reporting Year. It is determined based on two key factors: materiality and revenue contribution of the business segments under the Group’s direct operational control.

The data and information used in this ESG Report are referenced from our 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.

FEEDBACK

For details of our ESG performance, corporate governance as well as financial performance, please visit our website at <https://www.infinities.com.hk/> and Annual Report 2023. Your comments and suggestions will be greatly appreciated and will help us to improve. Please send your feedback and inquiries to our office at ir@infinities-hk.com.

The Board is responsible for monitoring the Group’s ESG-related risks over time, and it confirmed that appropriate and effective ESG risk management and internal control systems are in place.

About The Group

OUR BUSINESS

The Company was established on 5 February 2018 and was listed on the Main Board of the Stock Exchange on 17 March 2020 (stock code: 1961). We are principally engaged in the development and operation of mobile games, the distribution of digital media content and gaming products supply in the PRC and overseas. Over the years, we have successfully enhanced our market recognition and attracted a wide range of users for our digital content.

OUR VISION

By continuously exploring, tapping and applying cutting-edge technology, striving to become a leading platform of Artificial Intelligence technology services and digital entertainment in the industry and provide high-quality products, content and services to global users.

Our Stakeholders

The Group actively strives to better understand and engage its stakeholders to ensure continuous improvements. We strongly believe that our stakeholders play a crucial role in sustaining the success of our business in the challenging market.

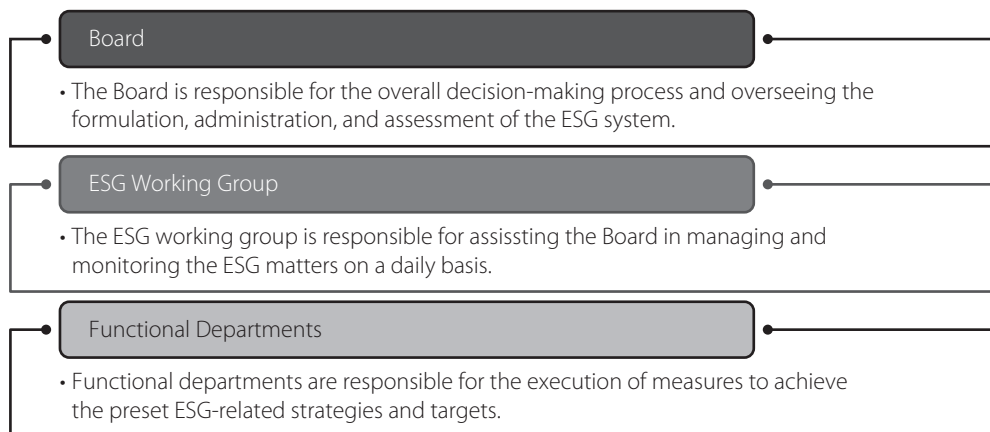
Stakeholders	Probable issues of concern	Communication and responses
Stock Exchange	Compliance with listing rules	Website updates and announcements, emails and other correspondence.
Government and regulatory bodies	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Shareholders/Investors	Corporate governance system, business strategies and performance, investment returns, and information disclosure.	Organising and participating in seminars, interviews, shareholders' meetings, issue of financial reports and/or operation reports for investors, media and analysts.
Suppliers	Long term and sustainable business, payment schedule, and stable demand.	Site visits, supplier contracts, emails, teleconference interviews, and supplier evaluations.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services, and customer evaluations.
Employees	Rights and benefits, employee compensation, training and development, work hours, and work environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, and employee suggestion boxes.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

ESG Management

As a responsible corporate citizen, we value the concept of sustainability and have been actively fulfilling our corporate social responsibilities. This ESG Report summarises the strategy, practice, and vision of our Group with respect to the issues related to ESG and conveys a clear message of our Group's devotion to sustainability. To enhance our resilience and adaptive capacity to potential ESG-related risks and opportunities, all potential ESG issues are covered and evaluated in the annual assessment.

To facilitate effective management of ESG issues, the Group has established a governance structure. The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing, and adopting the ESG-related strategies and targets of the Group including setting KPIs for environmental-related issues, reviewing the Group's performance annually against the ESG-related targets, and revising the ESG-related strategies as appropriate if significant variance from the ESG-related target is identified. Growing environmental concerns, increasingly complex regulations, and shifting stakeholder expectations drive the need for setting target and assist the Group to enhance sustainability strategy that aligns with and complements our business strategy. This serves to improve our resilience against and readiness for current and future challenges, and to position our business to capture opportunities and create value. The Group has set up an ESG working group which includes the senior management to support the Board in implementing ESG-related strategies and targets and promoting the implementation of measures in relation to the ESG issues identified.

Based on the set goals and targets, the Board will continue to review the Group's progress in relation to ESG issues to build a more sustainable business and bring greater benefits to society.



The Board is dedicated to improving and developing the ESG strategy which is acting in the best interests of our stakeholders. Under the section "Our Stakeholders", the mechanism and the idea of stakeholders' involvement in developing our ESG strategy are clearly stated.

This ESG Report was approved by the Board of the Company on 28 March 2024. For details of the corporate governance of the Group, please refer to the "Corporate Governance Report" on pages 50 to 70 of the Annual Report of the Group for the year ended 31 December 2023.

ESG Management *(Continued)*

Materiality Assessment

The Group has identified ESG issues that have potential or actual impact on its sustainable development from various sources, such as issues identified in previous ESG report, internal policies, industry trends and the Sustainability Accounting Standards Board's Materiality Map. The ESG issues have been analysed with reference to an array of factors, including the Group's overall strategy, development, and goals and targets. The Group has conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders, and their respective levels of impact.

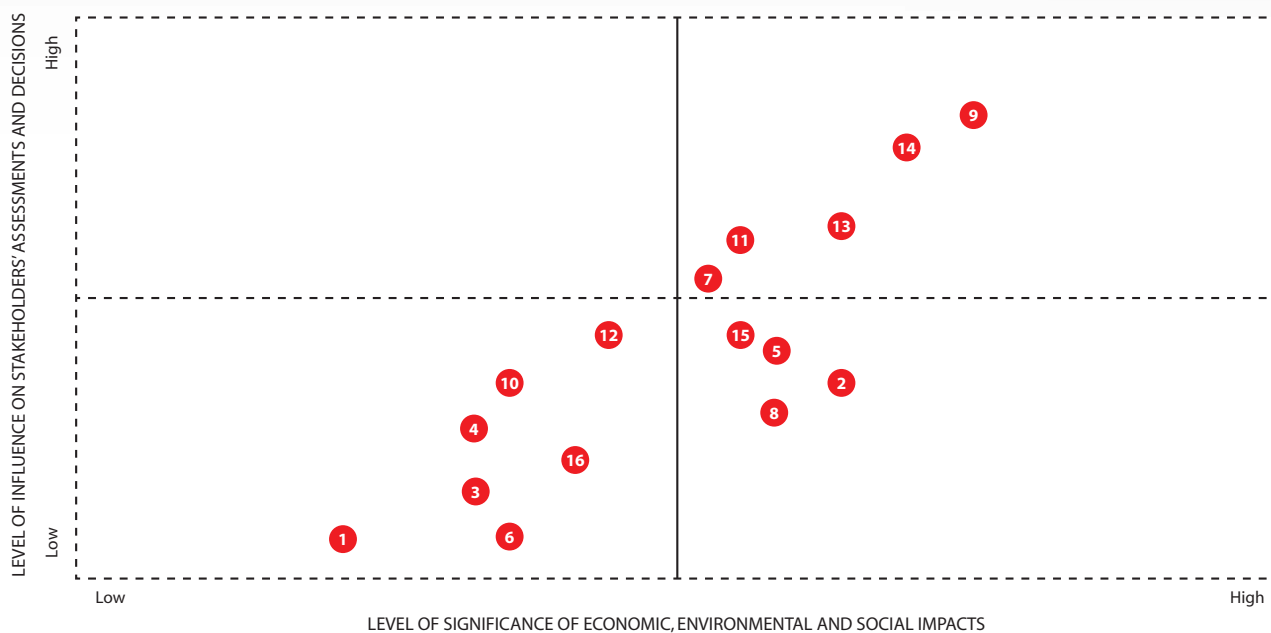
For the Reporting Year, the material ESG issues are those which have or may have a significant impact on:

- The PRC's digital entertainment industry;
- The global digital entertainment market;
- The current or future environment or society in which we operate;
- Our financial performance or operations; and/or
- Our stakeholders' assessments, decisions and actions.

ESG Management *(Continued)*

The Group has conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders, and their respective levels of impact. The assessment results are shown below:

LEVEL OF INFLUENCE ON STAKEHOLDERS' ASSESSMENTS & DECISIONS



ESG Issues

- | | | | |
|---|--------------------------|----|------------------------------------|
| 1 | Emissions | 9 | Employment |
| 2 | Greenhouse Gas Emissions | 10 | Health and Safety |
| 3 | Hazardous Waste | 11 | Development and Training |
| 4 | Non-Hazardous Waste | 12 | Labour Standards |
| 5 | Energy Consumption | 13 | Supply Chain Management |
| 6 | Water Consumption | 14 | Product and Service Responsibility |
| 7 | Natural Resources | 15 | Anti-corruption |
| 8 | Climate Change | 16 | Community Investment |

Environmental, Social and Governance Report

SECTION A: ENVIRONMENTAL

The Group understands the significance of environmental protection and pledges not to grow its business at the expense of the environment. We strongly believe in the value of keeping abreast of the trends and aligning our business with the relevant laws and regulations, including but not limited to the “Environmental Protection Law of the PRC”, “Law of the PRC on the Prevention and Control of Atmospheric Pollution”, “Law of the PRC on the Prevention and Control of Water Pollution”, “Law of the PRC on the Prevention and Control of Environmental Pollution of Solid Waste” and “Law of the PRC on Conserving Energy”. A healthy environment is fundamental to the Group’s sustainable development, hence we endeavour to integrate components of environmental sustainability into our business operations through various measures, so as to decrease our emissions level and the relevant intensity¹.

With our dedicated effort, there was no material non-compliance with laws and regulations related to the environment for the Reporting Year. The Group will continue to be alert to any non-compliance behavior related to critical environmental issues.

Emissions

Air Emissions

During the Reporting Year, the Group owned one vehicle and the air emissions from the use of the vehicle amounted to approximately 0.36 kg of nitrogen oxides (“**NO_x”**), 0.01 kg of sulphur oxides (“**SO_x”**) and 0.03 kg of particulate matters (“**PM”**). The intensity of air emissions from the use of vehicle is 0.0071 kg of NO_x, 0.0002 kg of SO_x and 0.0006 kg of PM, which all air emissions intensities are decreased, and the target is achieved. To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the air emissions intensity between 90% to 120% of the level of the baseline year ended 31 December 2023 in the next reporting year. For fleet management, regular maintenance checks are performed for all the vehicles to enhance fuel consumption efficiency, ensure road safety and keep emissions at their minimum.

Greenhouse Gas Emissions

Global warming is mainly attributable to greenhouse gas (“**GHG”**) emissions. In an effort to reduce GHG emissions and carbon footprint, the Group embraces green practices in its day-to-day business operations, contributing to environmental conservation, natural resource preservation and waste reduction.

During the Reporting Year, the total GHG emissions of the Group amounted to approximately 40.66 tonnes of carbon dioxide equivalent (“**tCO₂e”**) (2022: 28.26 tCO₂e), with a corresponding emissions intensity of approximately 0.80 tCO₂e (2022: 0.32 tCO₂e) per employee, which the target is not achieved. This increase in intensity of GHG emissions can be attributed to two main factors. Firstly, following the pandemic recovery, there was an upsurge in business air travel, leading to higher emissions. Secondly, the decrease in the number of employees during the Reporting Year resulted in a higher emissions intensity per employee, as the emissions were divided among a smaller workforce.

¹ The intensity figures of various emissions in this ESG Report were calculated per employee, which were 51 employees as at 31 December 2023 (2022: 88).

Environmental, Social and Governance Report *(Continued)*

The Group's major sources of GHG emissions could be attributed to the energy indirect emissions from electricity consumption², which is regarded as a scope 2 emissions and accounted for approximately 60.76% of the GHG emissions (2022: 78.00%). Meanwhile, other indirect emissions from paper waste disposed at landfills and business air travel accounted for approximately 36.74% (2022: 4.00%), which is regarded as a scope 3 emissions. Due to the pandemic recovery, the Group has recorded more business air travel by employees during the Reporting Year. Also, the Group has generated direct GHG emissions from the use of vehicle, which is regarded as a scope 1 emissions and accounted for approximately 2.50% (2022: 18.00%). To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the total GHG emissions intensity between 90% to 120% of the level of baseline year ended 31 December 2023 in the next reporting year.

In an attempt to cut down our GHG emissions, we have implemented a range of green practices in our daily operations, aiming to limit the consumption of electricity and paper at our workplaces. Reminders have been posted next to switches, in order to encourage our employees to switch off all idle electronic appliances when they are not in use, as well as before they leave the office. Besides, air conditioners should be set at a reasonable temperature level, with all the windows closed to maximise energy efficiency. Fines will be imposed on those employees who are found to violate the office guidelines. To cut down on paper consumption, our employees are encouraged to adopt double-sided printing and reuse single-sided-printed paper. With these measures, the Group hopes to cultivate energy-saving habits among its employees and contribute to energy conservation.



Energy Saving Reminder

Waste Management

The capacity of landfills and the availability of suitable land for landfills have been continuously decreasing. Together with the significant environmental impacts of waste disposal, the waste reduction has always been one of the Group's objectives.

Hazardous Waste

As aforementioned, the Group's core business involves the provision of digital media content. No hazardous waste was produced during the Reporting Year.

² The carbon emission factor in the PRC was set at 0.5703 tCO₂/MWh according to the latest data published by the Ministry of Ecology and Environment, the PRC.

Environmental, Social and Governance Report *(Continued)*

Non-hazardous Waste

The Group's non-hazardous waste was mainly composed of paper waste. During the Reporting Year, the total paper waste produced amounted to approximately 0.21 tonnes (2022: 0.25 tonnes), with a corresponding intensity of 0.004 tonnes (2022: 0.003 tonnes) per employee. Although the target is not achieved, the total amount of paper waste produced decreased. The increasing intensity is mainly due to the decrease in the number of employees and thus an increase in total employee-based emissions during the Reporting Year. To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the total non-hazardous waste intensity between 90% to 120% of the level of baseline year ended 31 December 2023 in the next reporting year.

Logging is involved in the paper production process, which provokes both direct and indirect negative impacts on the environment. To advocate waste reduction within our workplace, we have encouraged our employees to adopt double-sided printing, with single-sided-printed paper being collected for reuse. A paperless work environment has also been promoted by encouraging employees to switch from printed documents to electronic documents. The Group will continue to strive for a reduction in paper consumption, so as to whittle down the production of paper waste.

Use of Resources

The Group pledges to become an environmentally friendly and sustainable enterprise. To reduce energy usage and carbon emissions, we have implemented a range of carbon reduction measures in our daily operations, ranging from the adoption of energy-saving equipment to the promotion of energy conservation among our employees.

Energy Consumption^{3,4}

During the Reporting Year, the total energy consumption amounted to approximately 47,011.22 kWh with an energy consumption intensity of approximately 921.79 kWh per employee.

The energy consumption of the Group mainly comes from direct energy consumption for vehicle use and indirect energy consumption for purchased electricity. To reduce the Group's energy consumption and the corresponding carbon footprint, the Group has posted energy-saving reminders in various places, while encouraging employees to use natural lighting instead of electric lights whenever possible. In the long run, the Group will also upgrade the current electronic appliances to more energy-efficient alternatives to further maximise its energy efficiency and cut down energy consumption. To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the total energy consumption intensity between 90% to 130% of the level of the baseline year ended 31 December 2023 in the next reporting year. We will put continuous effort into the aspect of energy conservation to further minimise our carbon footprint.

Water Consumption

The Group's principal activities involve providing digital entertainment media content. Thus, no significant water consumption was identified during the Reporting Year. Since the water for office use was sourced from the local governmental body, no water-sourcing issue was identified during the Reporting Year.

³ The data on energy consumption for the Reporting Year are disclosed in accordance with "Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange to display the more comprehensive performance of the Group.

⁴ As the Group has revised the energy consumption disclosure, hence the target set in last reporting year is no longer applicable.

Environmental, Social and Governance Report *(Continued)*

Packaging Materials

Being a digital entertainment content developer and distributor, no significant usage of packaging materials was identified by the Group during the Reporting Year.

The Environment and Natural Resources

The Group believes that business development should not be achieved at the expense of the environment. Energy-saving practices in the workplace is greatly concerned, which is conducive for further incorporate the virtues of environmental sustainability into our day-to-day business operations. The Group encourages our staff to:

1. Switch off all idle appliances when they are not in use and before they leave the office;
2. Maintain air-conditioning at a reasonable temperature level (e.g. 25.5 °C); and
3. Regularly monitor the consumption level of electricity and paper.

With our dedicated effort in environmental protection, we are pleased to report that no material non-compliance issue regarding relevant laws and regulations was identified in the Reporting Year. To keep up with our achievements, we will continue to monitor our use of resources and strive to further reduce our consumption, in a bid to contribute to environmental protection as an environmentally friendly and sustainable enterprise.

Environmental, Social and Governance Report *(Continued)*

Climate Change

The Group reviews and identifies the climate-related risk annually while conducting the risk assessment. We have considered the potential climate-related risks in respect of the recommendations of the Task Force on Climate-related Financial Disclosures, which are the physical risks such as acute extreme weather conditions, chronic sustained high temperature, and transition risks such as regulatory change on environmental matters, and the potential climate-related risks are summarised as below:

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Year)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Physical Risks	• Extreme weather conditions such as flooding and typhoon	• Reduce revenue from business and supply chain disruptions	✓	✓		• Established adverse weather condition policy
	• Sustained elevated temperature	• Increase in business operating costs			✓	• Adopted energy conservation measures to avoid overconsumption of natural resources
Transition Risks	• Changes in environmental-related regulations	• Higher operating costs to adopt new practices or technologies		✓	✓	• Adopted energy conservation measures to reduce emissions • Continues to monitor the regulatory environment to ensure that the Group complied with the environmental-related laws and regulations
	• Shift in consumer preference to products incorporating more environmentally friendly concept	• Reduce demand for games and other contents, decrease competitiveness and impact on revenues			✓	• Adhere to the Group's sustainable development concept, strictly control the game and content production process, and commit to produce high-quality products to meet the expectations of consumers and the market

Environmental, Social and Governance Report *(Continued)*

SECTION B: SOCIAL

Employment

Employees are of top priority to the Group as they are the most valuable assets. All our employees' contributions and dedication to our business development are valued equally. We strive to grow with our employees as it is mutually beneficial to both the employees and our business development in the long run. Hence, we adopt an employee-oriented approach in creating our workplace, as well as recruitment, training and retention of talents for our business development.

Our Employees

As at 31 December 2023, the Group consisted of 51 employees. The detailed composition of our employees is as follows:

Employment ⁵	2023
Total	51
Gender	
Male	24
Female	27
Age group	
18–25	3
26–35	30
36–45	14
46–55	3
Above 55	1
Employee category	
Frontline	28
Middle management	16
Top management	7
Employment type	
Full-time	51
Temporary	–
Geographical region	
Hong Kong	4
Mainland China	47

⁵ The data on employment for the Reporting Year are presented in accordance with "Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Environmental, Social and Governance Report *(Continued)*

The Group seeks to maintain a balanced male-to-female ratio, while continuing to recruit young talents to adapt to the ever-changing digital entertainment market. We believe that our diverse, yet inclusive workforce enhances our creativity, decision-making, as well as communication both among our employees and with our customers, which are essential to a successful and sustainable business.

Employee Benefits

The Group strictly observes the “Labour Law of the PRC”, the “Social Insurance Law of the PRC”, the “Regulations on Management of Housing Provident Fund” of the PRC and other relevant laws and regulations which cover all employment protection and benefits. The “Employee Handbook” and “Human Resources Management Policy” have been established in accordance with these laws and regulations to safeguard the interests of our employees.

A comprehensive and attractive remuneration package, included on-the-job training, allowance, year-end bonus, and overtime compensation, is provided to all our employees. Group medical checkups, as well as social insurance and housing provident fund, are also provided to all employees in the Group. On top of that, continuous assessments of our employees are carried out. Based on their assessment results, salary increases, bonus awards and promotions will be considered, in order to keep them up to the Group’s standard and reward them for their contributions.

We offer our employees 5-day work per week of which 8 working hours per day. An attractive number of leaves, including statutory holidays, annual leave, marriage leave, maternity leave, family bereavement leaves and medical leave, are provided to our employees to ensure that they can enjoy work-life balance. Allowance and gifts may also be given to our employees in recognition for their contribution throughout the year. We believe that a harmonious workplace is beneficial to our employees’ well-being, which in turn enhances their productivity at work.

Environmental, Social and Governance Report *(Continued)*

Harmonious Workplace

As an employee-oriented business, the Group strives for a harmonious and inclusive work environment so that its employees are free from any harassment and discrimination. Our employees are also recruited regardless of their race, colour, religion, age, gender, sexual orientation, national origin, citizenship, health condition, marital status or any other characteristics. The Human Resources Department will strictly process every application.

Equal opportunities and diversity for all employees are highly valued by the Group. Such an equal employment opportunity policy is applicable to our staff recruitment, training and development, recognition, and reward, as well as termination and dismissal. Corresponding internal policies in this regard are communicated to our employees through the “Employee Handbook”, which is distributed to all employees before the commencement of their employment.

If our employees believe that they are experiencing discrimination and/or unfair treatment, they are welcome to express their concerns to the human resources manager. The management will seriously investigate the matter and take follow-up actions if necessary. Those employees acting improperly, or breaching contract terms and code of conduct will be warned or even terminated. Compensations are provided to those dismissed employees when applicable according to the relevant laws and regulations.

The Group has clear internal “Human Resources Management Policy” on employee compensation and dismissal, recruitment and promotion, working hours, rest periods and benefits and welfare. Updates and amendments are communicated to employees promptly. We strive to cultivate a harmonious work environment for our employees and eliminate any forms of discrimination and/or misconduct within the workplace.

As at 31 December 2023, the Group’s overall turnover details is as follows:

Turnover Rate	2023
Total	108%
Gender	
Male	129%
Female	89%
Age group	
18–25	333%
26–35	107%
36–45	64%
46–55	133%
Above 55	–
Geographical region	
Hong Kong	–
Mainland China	117%

Environmental, Social and Governance Report *(Continued)*

Health and Safety

The Group is committed to safeguarding the safety, health and welfare of all its employees. Not only does it aim to meet the minimum occupational health and safety standards required by laws and regulations, but to exceed them.

The Group has equipped its office with adequate resources for potential hazards. Sufficient fire equipment such as fire hydrants, have been placed in our office and are under regular checks to ensure that they are in good condition. The Group also provides social insurance to all its employees, which covers work injuries and other medical needs. In case of work injury, our employees are entitled to medical leave, so that they can have adequate rest for recovery.

During the Reporting Year, the Group recorded no work injury case and no relevant lost days (2022: 0 case). No work-related fatalities were recorded by the Group in the past three years, including the Reporting Year. As the Group places its employees' safety as the top priority, it will continue to strive for a safe and healthy work environment for its employees.

The Group strictly complied with the "Social Insurance Law of the PRC" to contribute sufficient social insurance for work injuries among our employees. The Group also strictly complied with other relevant health and safety laws and regulations, such as the local fire services regulations, to provide a safe work environment for its employees by protecting them from occupational hazards.

Environmental, Social and Governance Report *(Continued)*

Development and Training

The Group understands that employee development is indispensable to its growth, hence the Group pledges to offer sufficient and effective training to its employees. We also review the ability of employees of different levels so that our training can cater to their needs accordingly. In this way, our employees can grow with the Group hand in hand.

The “Employee Handbook” and “Human Resources Management Policy” have been established and outlined the “Training and Development Policy”. The Group offers a range of internal training and development to its employees to enhance their performance, professional skills, and knowledge. All newly recruited employees are required to attend mandatory induction training, covering topics such as company history, internal policies, employee benefits and corporate culture. This helps to familiarise our employees with our business and foster a sense of belonging to the Group. Internal training will be provided twice a year, aiming to equip our employees with the latest industry-related knowledge and skills and foster corporate culture, while external training will be organised every season. If our employees identify learning needs, they are welcome to share with the management, who will accommodate their needs by offering allowance and/or arranging leaves for them. Employees are required to complete an evaluation upon completion of the training session, which will be reviewed by the management, so that the Group can have a better understanding of its employees’ concerns and learning progress and continue to make improvements in the future.

Continuous employee assessments are conducted by the management in a bid to understand the employees’ learning needs and review their performance on a regular basis. The probation assessment framework has been established by the Group and is communicated to all newly recruited employees, so as to lay down clear expectations and future career prospects for its employees. All employees under probation will be participating in our mentorship program, in which mentors from the same department will be assigned to each of the employees, providing training on areas such as corporate culture, job-specific skills and knowledge, and principles for life and work. As an employee-oriented enterprise, we also encourage the mentors to provide counselling services to their mentees as we care about their mental well-being at the workplace as well.

The annual staff assessment is also conducted by the management, which covers various aspects of the job positions with clear key performance indicators listed out. Our staff are invited to perform self-evaluation alongside the management, so that they can identify inadequacies to set goals for themselves in the future. Salary adjustment and discretionary bonuses will be considered by the management for employees with satisfactory results in their assessment.

Within the Group, about 33% of the employees took part in training sessions during the Reporting Year. Among them, 41% and 59% of the employees who took part in training are male and female respectively. The breakdown of the frontline staff and middle-management who took part in the training sessions is 88% and 12% respectively.

During the Reporting Year, the Group has offered a total of 149 hours of training to its employees. Each of the trained employees received an average of 2.9 hours of training. The Group offered an average of 0.3 hour and 5.3 hours of training to male and female employees respectively, while an average of 1.6 hours and 6.6 hours of training were provided to frontline staff and middle-management respectively.

The Group will continue to invest more resources in its employees’ training and development, so that its staff can be equipped with the necessary knowledge and skills to keep abreast of market trends, as well as achieve personal career development. By these means, all employees can grow together with the Group.

Environmental, Social and Governance Report *(Continued)*

Labour Standards

The Group established “Employee Handbook” and “Human Resources Management Policy”, which have strict requirements on the recruitment process. During the course of our recruitment process, documents authenticating the applicants’ identity and eligibility to work are obtained and verified, so as to ensure that the Group is in compliance with relevant laws and regulations in the aspect of employment. During the Reporting Year, the Group complies with all employment laws and regulations, including but not limited to the “Labour Contract Law of the PRC”, “Labour Law of the PRC”, “Regulations on Paid Annual Leave of Employees”, “Law on the Protection of Women’s Rights and Interests”, “Law on the Protection of Disabled Persons”, “Social Insurance Law of the PRC” and “Provisions of the State Council on Working Hours of Workers and Staff”.

Respecting human rights has always been an integral part of the Group’s mission towards sustainability. The Group strictly observes labour laws and other relevant legislation that prohibit child labour and forced labour. No person below the age of eighteen has been hired or forced to work at the Group. Any act of violence, with the purpose of deliberately causing discomfort, threats and/or bodily harm, as well as forcing employees to work, is strictly prohibited by the Group. Our employees are welcome to report to the management if they notice any potential violation, or if they are experiencing forced labour. The management will investigate the matter and seriously take follow-up actions. During the Reporting Year, there was no material non-compliance with applicable laws and regulations in relation to labour standards of the Group.

Supply Chain Management

Establishing a long-term relationship with suppliers has been one of the Group’s objectives as they form an integral part of the success of its business. We have formed strategic alliances with various software developers, distributors, and other suppliers to build a network of digital content providers, enriching our product profile and strengthening our business development.

During the selection of new suppliers, the “Supplier Management Policy” outlined that an initial assessment will be conducted by the relevant department, which takes into account a wide range of criteria, such as quality of products and service, timeliness of delivery, and technical support. Only suppliers with satisfactory results in the initial assessment will be added to our list of approved suppliers and engaged in our business operations. Suppliers who consider social issue and environmental protection would be more favorable to be accepted as approved suppliers. On top of that, the Group also conducts an annual assessment of the approved suppliers to ensure that the products or services are of consistent quality and up to the Group’s required standards. Suppliers with unsatisfactory results in the annual assessment will be eliminated from our list of approved suppliers.

As at 31 December 2023, the Group has engaged 54 approved suppliers located in the PRC. We will continue to invest in our collaboration with these suppliers and expand our network of digital content providers, in a bid to provide the best digital experience for our users.

Environmental, Social and Governance Report *(Continued)*

Product and Service Responsibility

Product Quality Control

The Group has actively developed new content and engaged partners in a bid to diversify its game portfolio and gain a competitive edge over its competitors. Our team constantly researches the latest trends in the market and develops novel products to meet the ever-changing demands. In the meantime, we are also dedicated to maintaining existing content and products to prevent bugs and other errors, so that our customers can enjoy a smooth and enjoyable experience with our digital content and games.

We also understand the importance of safeguarding public interests. As such, the Group has continued to comply with the relevant laws and regulations regarding the dissemination of digital content, so as to protect the interests and safety of gamers, particularly the mental health of children and teenagers. As such, all of our games do not contain any improper content specified in the “Regulation on Internet Information Service” of the PRC. In addition, our advertisements are also based on actual game content with proper endorsements required by the “Advertising Law of the PRC”. On top of this, the Group takes active and effective measures to protect the physical and mental health of children and teenagers, including adopting the real-name verification system, anti-addiction system and game age reminders, and strictly implementing the “Notice on Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games” issued by the National Press and Publication Administration, which only provide 1-hour online game services to minors from 8:00 p.m. to 9:00 p.m. on Fridays, Saturdays, Sundays and statutory holidays to fully protect the children and teenagers growth healthily.

The Group strictly complied with the relevant laws and regulations regarding health and safety, and advertising matters relating to the products and services provided.

Customer Service Management

The Group values customer relations as they are integral to the success of its business. We pledge to offer quality after-sales service to our customers and take customer complaints in a serious manner. Customers are welcome to provide feedback and express concerns through our customer service hotline. All of the feedback and complaints are recorded in our “Customer Complaint Register”, detailing information such as the cause of the complaint, the product concerned, follow-up actions, and results, etc. By keeping track of all the complaints, we can ensure that our customers’ concerns have been attended to accordingly, while implementing the rectifications in a timely manner. During the Reporting Year, the Group had handled customer complaints properly. We will continue to improve our products and maintain good customer relations in the future.

Environmental, Social and Governance Report *(Continued)*

Intellectual Property Rights and Data Protection

Being a digital content developer and distributor, the Group places much emphasis on intellectual property rights, as they are indispensable to its business. We have obtained intellectual property rights from the authority for our mobile games and other products, while conducting regular checks to prevent infringement of our rights by other companies.

Meanwhile, the Group understands the importance of data protection and it has established "Intellectual Property Rights Management Policy" and "Privacy Policy", covering the usage of computer software, copyright protection and customer data protection, etc. Our employees are given limited access to the company database depending on their job positions. The authorisation is managed by the Information Technology ("IT") Department of the Group, which will regularly review the internal IT system to ensure the safety of the Group's computer systems. Employees are strictly prohibited from modifying their computers without formal approval from the management. They are also required to return their work computers to the IT Department for data destruction upon resignation to prevent any leakage of confidential information.

Detailed guidelines regarding intellectual property rights and data protection are included in the "Employee Handbook" to ensure that all employees are familiar with the guidelines. On top of that, all employees are required to sign a non-disclosure agreement before the commencement of employment at the Group, to ensure that all employees are fully aware of the importance of protecting of confidential information of the Group, as well as the private information of our customers. Customer data must only be used for the sole purpose of the Group's operations in a bid to provide adequate service to its customers. All data must not be shared with any other parties outside the Group. A verbal or written warning will be given to the relevant employee who has breached the listed regulations. The employee concerned may be subjected to disciplinary actions, or even dismissal in the case of serious and/or repeated misconduct.

During the Reporting Year, there were no cases regarding data leakage and copyright infringement reported within the Group. The Group has strictly complied with relevant laws and regulations regarding the labelling and privacy matters relating to the products and services provided.

Anti-corruption

All forms of bribery and corruption are strictly prohibited by the Group. Employees should not offer, solicit or accept anything of material value to or from their colleagues, customers, suppliers or other business partners of the Group. They should perform their duties with integrity, such that no bribery, fraud or money laundering will be carried out for their personal gains at the expense of the Group's interests. Anti-corruption guidelines have been detailed in the "Employee Handbook", which is distributed to all employees at the commencement of their employment, so that they can familiarise themselves with the guidelines. During the Reporting Year, the Group has provided orientations to the new employees in relation to business ethics including anti-corruption. The Group closely monitors the regulatory development and will arrange relevant training for the Directors and its employees, where necessary.

Environmental, Social and Governance Report *(Continued)*

In addition to bribery and corruption, according to the established “Integrity Policy”, our employees are strictly prohibited from engaging in any illegal acts, including extortion, fraud, money laundering, etc.

The Group encourages its employees to report all suspected malpractices or misconduct. We welcome our employees to report potential cases through various channels, while the management will take immediate action to investigate the issue in a serious manner. It is the Group’s core value to remind its employees to uphold their integrity and professionalism as aforementioned.

There was no concluded legal case in any form of fraud brought against us or our employees during the Reporting Year. The Group has strictly complied with relevant laws and regulations regarding bribery and extortion. Fraud and money laundering. The Group will continue to adopt the zero-tolerance approach and take prompt actions in response to potential illegal acts.

Community Investment

We will continue to invest more resources and engage more employees in community investment, as well as investing our resources in areas other than poverty. By doing so, the Group hopes to encourage its employees to serve the community, while promoting corporate social responsibility and bringing positive impacts to the society.

During the pandemic recovery year, the Group focused its efforts on restoring business operations to normal and adjusting its strategies. Consequently, the Group did not organize any community and charity activities during the Reporting Year, however, the Group acknowledges the importance of community engagement and social responsibility.

Moving forward, the Group recognises the value of community and charity activities as part of its overall sustainability efforts and will actively seek opportunities to engage with and support the communities it serves.

Environmental Data

Emissions Indicators	Year ended 31 December 2023	Year ended 31 December 2022
Air Emissions		
NO _x emissions	0.36 kg	1.79 kg
SO _x emissions	0.01 kg	0.03 kg
PM emissions	0.03 kg	0.13 kg
NO _x emissions intensity	0.0071 kg/employee	0.0203 kg/employee
SO _x emissions intensity	0.0002 kg/employee	0.0003 kg/employee
PM emissions intensity	0.0006 kg/employee	0.0015 kg/employee
GHG Emissions		
Total GHG emissions	40.66 tCO ₂ e	28.26 tCO ₂ e
GHG emissions intensity	0.80 tCO ₂ e/employee	0.32 tCO ₂ e/employee
Scope 1 emissions — Vehicle (petrol)	1.02 tCO ₂ e	5.10 tCO ₂ e
Scope 2 emissions — Purchased electricity	24.70 tCO ₂ e	21.96 tCO ₂ e
Scope 3 emissions — Paper waste disposal at landfills	1.00 tCO ₂ e	1.20 tCO ₂ e
Scope 3 emissions — Business air travel by employees	13.94 tCO ₂ e	N/A
Hazardous waste		
Total hazardous waste produced	N/A	N/A
Hazardous waste intensity	N/A	N/A
Non-hazardous waste		
Total non-hazardous waste produced (paper waste)	0.21 tonnes	0.25 tonnes
Non-hazardous waste intensity	0.004 tonnes/employee	0.003 tonnes/employee

Environmental Data *(Continued)*

	Year ended 31 December 2023	Year ended 31 December 2022
Use of Resources Indicators		
Energy consumption^{6,7}		
Total energy consumption	47,011.22 kWh	N/A
Energy consumption intensity	921.79 kWh/employee	N/A
Direct energy consumption — Vehicle (petrol)	3,692.22 kWh	N/A
Indirect energy consumption — Purchased electricity	43,319.00 kWh	38,513.00 kWh
Water consumption		
Total water consumption	N/A	N/A
Water consumption intensity	N/A	N/A
Packaging materials		
Total packaging materials used	N/A	N/A
Packaging materials intensity	N/A	N/A

⁶ The data on energy consumption for the Reporting Year are disclosed in accordance with "Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange to display the more comprehensive performance of the Group.

⁷ The data on energy consumption for the last reporting year are reinstated and disclosed in accordance with "Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange for meaningful comparison.

Social Data

Employment Indicators	Year ended 31 December 2023	Year ended 31 December 2022
Employment		
Total number of employees	51	88
Gender		
Male	24	47
Female	27	41
Age group		
18–25	3	10
26–35	30	52
36–45	14	18
46–55	3	7
Above 55	1	1
Employee category		
Frontline	28	54
Middle management	16	26
Top management	7	8
Employment type		
Full-time	51	88
Temporary	–	–
Geographical region		
Hong Kong	4	4
Mainland China	47	84

Social Data *(Continued)*

Employment Indicators	Year ended 31 December 2023	Year ended 31 December 2022
Employment turnover		
Overall employee turnover rate	108%	76%
Gender		
Male	129%	87%
Female	89%	63%
Age group		
18–25	333%	160%
26–35	107%	75%
36–45	64%	67%
46–55	133%	–
Above 55	–	–
Geographical region		
Hong Kong	–	–
Mainland China	117%	80%
Health and Safety Indicators		
Number of reported injuries	–	–
Number of working days lost	–	–

Social Data *(Continued)*

	Year ended 31 December 2023	Year ended 31 December 2022
Development and Training Indicators		
Total number of employees trained	17	73
Total employees trained (in %)	33%	83%
Breakdown for employees trained by gender (in %)		
Male	41%	49%
Female	59%	51%
Breakdown for employees trained by employee category (in %)		
Frontline	88%	74%
Middle management	12%	25%
Top management	–	1%
Total number of training hours	149 hours	400 hours
Average number of training hours per employee	2.9 hours	5.0 hours
Average number of training hours by gender		
Male	0.3 hour	1 hour
Female	5.3 hours	9 hours
Average number of training hours by employee category		
Frontline	1.6 hours	2 hours
Middle management	6.6 hours	10 hours
Top management	— hour	0.1 hour
Supply Chain Indicators		
Total number of approved suppliers	54 in the PRC	52 in the PRC
Product Responsibility Indicators		
Total number of complaints received	–	–
Anti-corruption Indicators		
Number of concluded legal cases regarding corruption	–	–
Community Indicators		
Corporate charitable donation	–	RMB100,000

ESG Reporting Guide & Reference

Reference in

this ESG Report

A. Environmental

A1. Emissions

Relevant Section(s)

Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Emissions

KPI A1.1 The types of emissions and respective emission data.

Emissions

KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Emissions

KPI A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).

Emissions

KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Emissions

KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.

Emissions

KPI 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.

Emissions

A2. Use of Resources

Relevant Section(s)

Policies on the efficient use of resources, including energy, water and other raw materials.

Use of Resources

KPI 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).

Use of Resources

KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).

Use of Resources

KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.

Use of Resources

KPI 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.

Use of Resources

KPI A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.

Use of Resources

ESG Reporting Guide & Reference *(Continued)*

A. Environmental		Reference in this ESG Report
A3. The Environment and Natural Resources		Relevant Section(s)
Policies on minimising the issuer’s significant impact on the environment and natural resources.		Emissions, Use of Resources, The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Use of Resources, The Environment and Natural Resources
A4. Climate Change		Relevant Section(s)
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

ESG Reporting Guide & Reference *(Continued)*

B. Social		Reference in this ESG Report
B1. Employment		Relevant Section(s)
Policies and compliance with laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employment turnover rate by gender, age group and geographical region.	Employment
B2. Health and Safety		Relevant Section(s)
Policies and compliance with laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Health and Safety
B3. Development and Training		Relevant Section(s)
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4. Labour Standards		Relevant Section(s)
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

ESG Reporting Guide & Reference *(Continued)*

B. Social		Reference in this ESG Report
B5. Supply Chain Management		Relevant Section(s)
	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI 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
KPI 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		Relevant Section(s)
	Policies and compliance with laws and regulations relating to health and safety. Advertising, labeling and privacy matters relating to products and services provided and method of redress.	Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product and Service Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product and Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product and Service Responsibility

ESG Reporting Guide & Reference *(Continued)*

B. Social		Reference in this ESG Report
B7. Anti-corruption		Relevant Section(s)
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.		Anti-corruption
KPI 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
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8. Community Investment		Relevant Section(s)
Policies on community engagement to understand the needs of the communities where we operate and to ensure that our activities take into consideration the communities' interests.		Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment