



# 祖龙娱乐有限公司 Archosaur Games Inc.

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 9990



## 2024 環境、社會 及管治報告

Environmental, Social and Governance Report





# Environmental, Social and Governance Report

## ABOUT THE REPORT

This environmental, social and governance (“ESG”) report (the “Report”) is the fifth ESG report of Archosaur Games Inc. (the “Company” or “Archosaur Games”) and its subsidiaries (the “Group” or “we”), which sets out the Group’s initiatives, plans, performance and achievements in ESG areas, such as operation management, employment, labour practices, environmental protection and community investment, concentrates on issues concerning to stakeholders, and demonstrates the Group’s commitment to sustainable development.

### Reporting Period

The Report covers the activities, challenges and measures with respect to ESG aspects of the Group for the year starting from 1 January 2024 to 31 December 2024 (the “Reporting Period” or “2024”).

### Reporting Scope

The Report reflects the ESG performance and contribution of the Group’s main business operations in a balanced manner, and the ESG key performance indicators (“KPIs”) data are gathered from operations under the Group’s direct operational control. The reporting scope of the Report is consistent with the Group’s annual report for the financial year ended 31 December 2024 (the “2024 Annual Report”), which covers the Group’s current offices in Beijing, Shanghai, Chengdu, Changchun and Haikou in the People’s Republic of China (“PRC” or “China”), which are the main operational locations of the Group. During the Reporting Period, the newly registered subsidiary in the United State has not yet commenced operations and has no significant impact on the overall operations of the Group. Therefore, this subsidiary will not be included in this Reporting Period.

### Reporting Framework

The Report has been prepared in accordance with 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 The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has applied the reporting principles of “materiality”, “quantitative” and “consistency”.

- **Materiality:** We have conducted a materiality assessment, and the results of the assessment were reviewed and confirmed by the board of directors of the Company (the “Board”). We report on ESG-related issues based on the results of the materiality assessment. For further details, please refer to the sections headed “STAKEHOLDER ENGAGEMENT” and “MATERIALITY ASSESSMENT”.
- **Quantitative:** The Report referenced applicable quantitative standards and practices, and adopted quantitative methodologies to calculate and disclose KPIs. The calculation standards, methodologies, assumptions and/or calculation tools for the KPIs in the Report, and the sources of conversion factors used have been explained where applicable.
- **Consistency:** The preparation approach and KPIs of the Report are aligned with the annual ESG report for the period from 1 January 2023 to 31 December 2023 (“2023”) for comparison purposes. If there are any changes in the scope of disclosure and calculation methods, which may affect the comparison with previous reports, the Group will explain the corresponding data. During the Reporting Period, the reporting scope of the Report has not been adjusted, please refer to the “Reporting Scope” section for details.

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report of the 2024 Annual Report.



# Environmental, Social and Governance Report

## Contact Us

The Group welcomes opinions and suggestions from stakeholders. You may provide opinions on the Report or the Group's sustainability performance through the following methods:

Address: 4/F, No. 8 Hangxing Science Park, No. 11 HePingLi East Street, Dongcheng District, Beijing, PRC  
Email: [ir@zulong.com](mailto:ir@zulong.com)

## ABOUT THE GROUP

### Our Values



## With the Love of Games

The Group is a leading mobile gaming company in China with more than twenty years of research and development ("R&D") experience. Our mission is to "be a top-class gaming company in the world, serving global game players by continuously creating industry-leading games of various genres with excellent online entertainment experiences". As at the date of this Report, we have launched a total of 23 mobile games with several regional versions available in more than 170 regional markets in 14 languages, and the cumulative number of global registered players of games in operation have surpassed 200 million. We are a pioneer in China's mobile game industry focusing on developing high-quality mobile MMORPGs, SLGs, female-oriented games, strategy cards and other genres, with proven capabilities in developing high-quality mobile games. We continuously provide high-quality game content for players and have a good market reputation.

Life Makeover (以閃亮之名) is a pioneering female-oriented game developed through Unreal Engine 4 in China, and Under the Firmament (鴻圖之下) is the first mobile SLG developed through Unreal Engine 4 in China, Dragon Raja (龍族幻想) is China's first next-generation real 3D mobile MMORPG powered by Unreal Engine 4, Fantasy Zhuxian (夢幻誅仙) is one of the pioneering real 3D turn-based mobile MMORPGs, and Loong Craft (六龍爭霸) is one of the first real 3D mobile MMORPG grand strategy wargames. Looking forward into 2025, the ingenuity of the Company's long-term operation, Life Makeover (以閃亮之名), continues to explode, bringing more surprises to the market; the strategy card game Dragon Raja: Cassell Gate (龍族: 卡塞爾之門) is expected to be launched in more countries and regions around the world after its launch in Chinese mainland in 2024 with outstanding results; two works brimming with the aesthetics of traditional Chinese style, Immortal Skywalker (踏風行) and Project Code: Free and Unfettered (項目代號: 逍遙) are to be released, and more blockbuster are worth looking forward to.



## Environmental, Social and Governance Report

Upholding the core spirit of “polishing products with sincerity and paving the way on innovation”, Archosaur Games is committed to creating a product system with the value of long-term operation. Created for global players, Life Makeover (以閃亮之名), an ultra-free fashionable female-oriented mobile game developed by the Company’s new generation of female production and planning team, is a concrete demonstration of our implementation of the strategy of quality products. After its launch, the game has been continuously updated with quality iterations. In 2024, the Company continued to explore the game creativity with multiple versions such as “Fox Reverie” (夢狐繪卷), “Puppet Chapter” (傀儡之章), “Mermaid’s Song” (人魚幻歌) and “Cosmos Radiance” (永曜蒼穹). At the same time, adhering to upgrading and optimizing user communication and maintenance has allowed Life Makeover (以閃亮之名) to maintain considerable revenue and an exceptionally high user retention rate, becoming a masterpiece in the high-quality and female-oriented product genres in which the Company has operated for a long time. We creatively transform and innovatively develop Chinese traditional culture. Life Makeover (以閃亮之名), digging deep into the essence of traditional Chinese arts, blends intangible cultural heritage with modern technology so as to perfectly present the singing, reciting, acting and martial arts of Peking opera, the string tricks of puppet show, the pure white glaze of Dehua porcelain, the dazzling colours of Kirgiz embroidery and others in the game. Dragon Raja: Cassell Gate (龍族：卡塞爾之門) is also tied with Jintan paper carving, a national intangible cultural heritage, with the romantic Chinese legends on paper being integrated into the game. A number of our launched products such as Dragon Raja (龍族幻想) and Fantansy Zhuxian (夢幻誅仙) have maintained excellent long-term operating results. Our meticulous attention to product quality and our long-term operation of product planning will showcase to global players the sincerity and perseverance of Archosaur Games in implementing the strategy of high-quality products.

In terms of deepening the implementation of our strategy of high-quality products, we have continued to pursue the improvement of the quality of our existing games. At the same time, we have continued to refine our pipeline with the in-depth multi-dimensional consideration, and integrated and deployed our resources in projects with a higher investment-to-output ratio, which has further enhanced the efficiency of the utilization of our resources. Meanwhile, in addition to consolidating our advantageous genres, we have continued to make efforts in new genres and new tracks, and gained excellent market feedback on products with superb game quality and refined game operation. We firmly believe that keeping up with the latest technology and strengthening the deep integration of technology and products is key to navigating the rapidly evolving gaming industry and leading industry trends. As a pioneer in the gaming field, we apply advanced Unreal Engine technology into the development of mobile games and actively research and explore Large Language Model (LLM) application in games. Our technical team is independently developing a model that capable of embedding highly intelligent Non-Player Characters (NPCs) in the games and is exploring the integrative creation of Artificial Intelligence Generated Content (AIGC) and User Generated Content (UGC), to enhance player’s experience and facilitate creative expression.





# Environmental, Social and Governance Report

Under the leadership of the Board and the management, the Group has taken various measures to establish a sound ESG corporate compliance mechanism. With years of exploration in cultural innovation, industry-education integration and public welfare charity, the Group also received the “ESG Pioneer Award (ESG 先鋒獎)” at the “5<sup>th</sup> Caillian Press Corporate ESG Forum” in recognition of its business value and social impact in the ESG area, which has added ESG momentum to the promotion of sustainable development. Meanwhile, this is also the third time that the Group has received the Award from Caillian Press. The Group aims to support environmental projects and sustainable practices, showcasing its strong commitment to creating a greener and more sustainable future. The Group will continue to efficiently fulfil its corporate social responsibility, actively spreading healthy and positive social energy, and exploring a new model of ESG for the cultural and entertainment industry.

On the basis of adhering to the core strategy of quality and globalization, we will continue to further explore oversea market, to develop industry-leading quality games, and to diversify game categories and styles. At the same time, we have shifted from simply “going out” to a deeper level of “going in” and “going up”. In each region where our products will be released, we dig deep into the local market characteristics and incorporate the differences among regions into our game development and operation, so as to discover unique strategies that suit the local market, thus achieving a higher level of game quality and service.

## **Sustainable Development Governance Structure**

The Group incorporates work on environmental and social responsibility into its daily management work plan, ensuring that the governance of sustainable development is aligned with its business strategy. The Board provides overall supervision and guidance and undertakes overall responsibility for decision-making and reporting of environmental and social responsibility work. The Board selects qualified members with appropriate skills, experience, knowledge, and perspectives required for relevant ESG issues. The Board’s duties include determining the Group’s ESG management approach and strategy, and with the assistance of management, conducting meeting at least annually to discuss and review the Group’s material ESG issues and the performance towards ESG-related targets, and assess risks on the Group’s environmental and social responsibility to ensure that an appropriate and effective risk management and internal system is established. The Board will regularly review and evaluate the implementation of the Group’s environmental and social responsibility system and approve the disclosures in the Report.

The management of each division of the Group is jointly responsible for the practical implementation of ESG matters. The management comprises core members from different departments with relevant expertise in various aspects of ESG to assist the Board in its supervision of ESG. The management is required to arrange a meeting regularly to evaluate the effectiveness of the ESG system, identify and assess the ESG risks of the Group, and ensure the compliance with ESG related laws and regulations. The management engages an independent third party to conduct an annual materiality assessment to evaluate, priorities and manage significant ESG-related issues and to prepare ESG reports. Through the collection and analysis of ESG-related data, the management regularly reviews the progress of ESG-related targets to supervise the Group’s fulfilment of its corporate social responsibility and ensure the long-term growth potential of the business. The management is required to report its findings, decisions, and recommendations to the Board at least once a year.

# Environmental, Social and Governance Report

## STAKEHOLDER ENGAGEMENT

The Group adopts two-way communication with the stakeholders to achieve mutual growth. Therefore, the Group values the opinions of different stakeholders on its operations and ESG issues. In order to fully understand, respond to and address the core concerns of different stakeholders, we have been working closely with different stakeholders, including but not limited to shareholders and investors, employees, players, suppliers, government and regulatory bodies, as well as society and the public.

Through different stakeholder engagement and communication channels, we will incorporate their expectations into the corporate operations and ESG strategies. The communication channels for key stakeholders and their expectations and concerns for the Group are as follows:

Stakeholders	Communication Channels	Expectations and Focuses
Shareholders and investors	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholders' meetings</li> <li>Financial reports</li> <li>Investor relations activities</li> <li>Announcement and circular</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate transparency</li> <li>Sound risk management and internal control</li> <li>ESG issues</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Training and seminars</li> <li>Regular performance evaluation</li> <li>Employee suggestion box</li> <li>Fraud report email</li> <li>Internal announcements and communications</li> </ul>	<ul style="list-style-type: none"> <li>Career development</li> <li>Competitive remuneration and benefits</li> <li>Equal opportunities</li> <li>Healthy and safe working environment</li> </ul>
Players	<ul style="list-style-type: none"> <li>Customer service email and telephone</li> <li>Company Weibo, WeChat and QQ public account</li> <li>Corporate WeChat group management and exclusive corporate WeChat services for VIP players</li> <li>Company website</li> <li>In-game online customer service system</li> </ul>	<ul style="list-style-type: none"> <li>High-quality games and services</li> <li>Customer privacy protection</li> <li>Anti-cheating and fair game</li> <li>Healthy gaming experience</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Email</li> <li>Conference call</li> <li>Communication tools such as WeChat and QQ</li> </ul>	<ul style="list-style-type: none"> <li>Responsible supply chain management</li> <li>Business ethics and reputation</li> <li>Fair and open competition</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>Email</li> <li>Conference call</li> <li>Interview</li> <li>Training and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws</li> <li>Corporate governance</li> </ul>

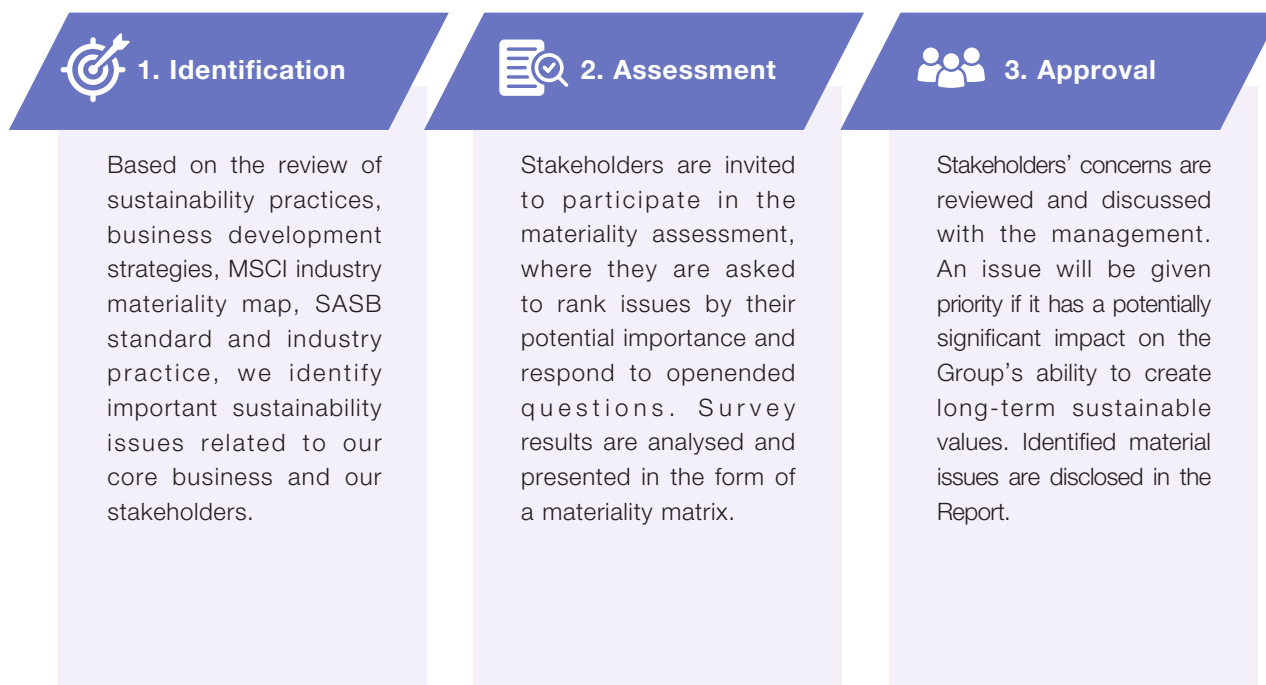


# Environmental, Social and Governance Report

Stakeholders	Communication Channels	Expectations and Focuses
Society and the public	<ul style="list-style-type: none"> <li>Company Website – News Centre</li> <li>ESG reports</li> <li>Company Weibo, WeChat public account</li> </ul>	<ul style="list-style-type: none"> <li>Implement green operation</li> <li>Provide job opportunities</li> <li>Support public welfare</li> <li>Open and transparent information</li> </ul>

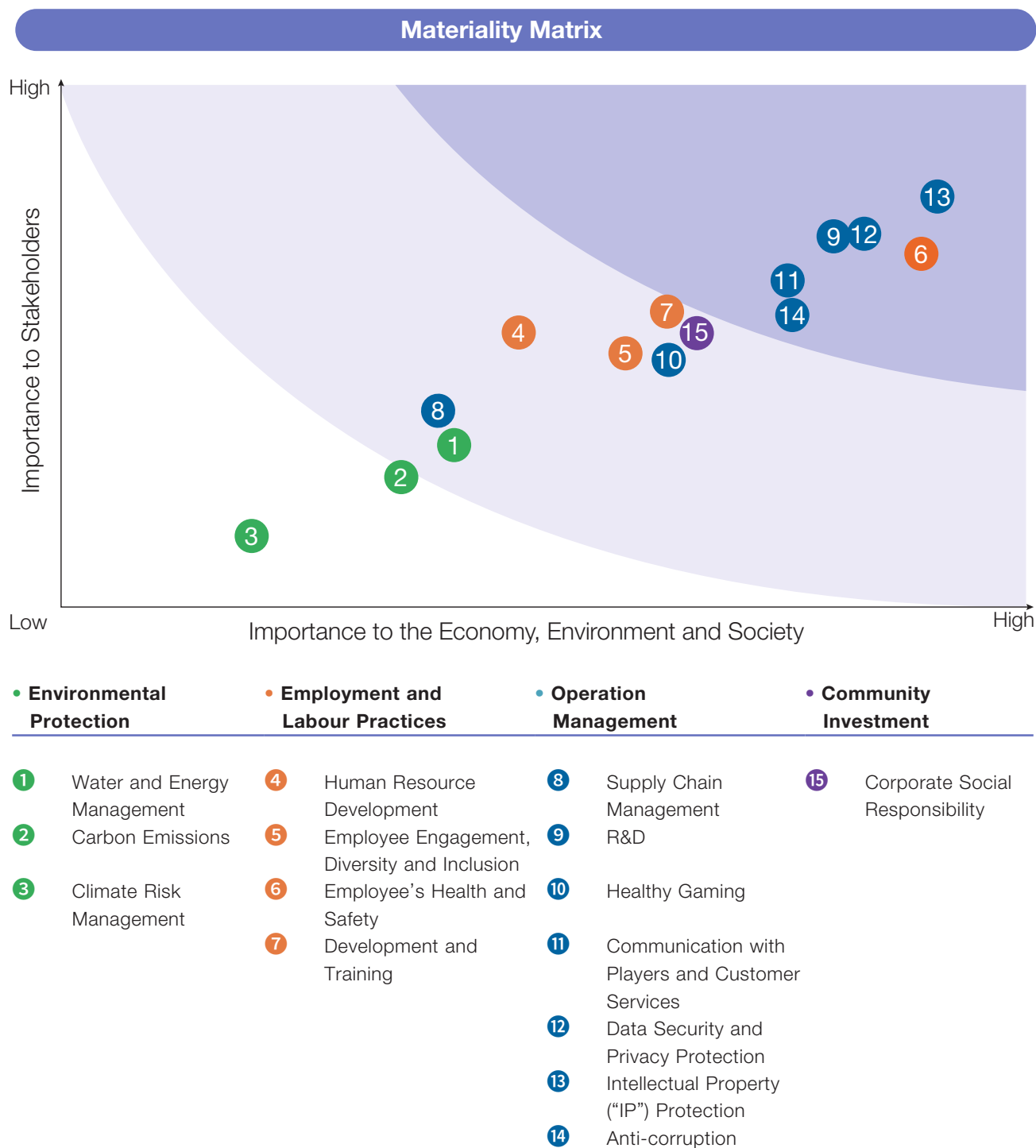
## MATERIALITY ASSESSMENT

In order to better understand the views and expectations of stakeholders on the ESG performance of the Group, we not only consider the business development strategies and the industry practices, but also refer to the industry materiality map set by Morgan Stanley Capital International (“MSCI”) and the standard formulated by Sustainability Accounting Standards Board (“SASB”), to identify the ESG issues that are pertinent to the Group’s business. Through conducting an annual materiality assessment in the form of online questionnaires, relevant stakeholders of the Group are invited to participate in the materiality assessment and rate potential material topics to evaluate and prioritize the sustainability issues that stakeholders consider to be most material in the core business.



# Environmental, Social and Governance Report

During the Reporting Period, the Group's materiality matrix is as follows:



The most important issues of the Group's concern are IP protection, employee's health and safety, data security and privacy protection, and R&D. The Group regards the materiality assessment results as important indicators for future planning and policy formulation in ESG aspects to strengthen the Group's ESG strategies and promote sustainable development.





# Environmental, Social and Governance Report

## OPERATION MANAGEMENT

### Product Responsibility

The vision and mission of the Group are to “be a top-class gaming company in the world, serving global game players by continuously creating industry-leading games of various genres with excellent online entertainment experiences”. Providing users with a good entertainment experience is the Group’s most important product responsibility, and also the key to attracting and retaining game users. We are highly focused on the quality of products and services. When launching new games, we predict and match changes in players’ interests and preferences as well as the ever-changing competitive environment in the mobile game industry. Meanwhile, we try to effectively promote new games and game upgrades to strengthen regional penetration. In addition, we continue to upgrade the technology and infrastructure to minimize downtime and maintain game system stability.

During the Reporting Period, the Group and its products have won various awards, demonstrating its significant progress in the field of game development and the high recognition by the market. Awards and recognitions include, but are not limited to:

Awardee	Award/Recognition	Awarding Institutions
Archosaur Games	13th Corporate Social Responsibility Industry Excellence Award	Syobserve
Archosaur Games	A Decade Going Global – Cultural Export Pioneer Enterprise Award	Enjoy Going Global
Archosaur Games	2024 Chinese Game Enterprises of the Year “White Horse Award”	Gamma Data
Archosaur Games	2024 Cailian Press Zhi Yuan Award “ESG Pioneer Award”	Cailian Press
Archosaur Games	2024 Annual Most Influential Enterprises List “Most Investment Value Award”	Cailian Press
Archosaur Games	Best TMT Company	Zhitong Finance
Archosaur Games	2024 Annual Cultural Empowerment Excellent Case Studies	Global Times
Huai’an Loong <sup>1</sup>	2024 Top 10 R&D Team Nomination	China Audio-video and Digital Publishing Association
Life Makeover (以閃亮之名)	Bilibili Innovative Marketing of the Year 2023	Bilibili

*Note:*

1. Huai’an Loong Technology Co., Ltd. (“Huai’an Loong”), a company established under the laws of the PRC with limited liability on 19 August 2016, and by virtue of certain contractual arrangements, accounted for as our subsidiary.

# Environmental, Social and Governance Report

Awardee	Award/Recognition	Awarding Institutions
Life Makeover (以閃亮之名)	Brand of the Year in Contributing to Intangible Cultural Heritage Revitalization and Promotion	Weibo
Dragon Raja: Cassell Gate (龍族：卡塞爾之門)	2024 Integrated Marketing Case of the Year	China International Advertising Festival







# Environmental, Social and Governance Report

The Group upholds the legal compliance of the R&D and operation of game products, continues to optimize game functions, and protects the legitimate interests of game players. The Group has formulated the Environmental and Social Responsibility Management Policy to ensure that the Group's business activities such as R&D, operations, and marketing meet the national standard and the requirements of industry-related services, and effectively improve product quality and service standards. The Group strictly complies with the laws and regulations relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress, including but not limited to the Advertising Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Product Quality Law of the People's Republic of China, Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, and Copyright Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any significant non-compliance of laws and regulations related to the health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that could have a significant impact on the Group. In addition, the Group does not have any products recalled for safety and health reasons during the Reporting Period (2023: no recalled products).

## Data Security and Privacy Protection

As a mobile gaming company, the Group receives, transmits, and stores information related to the players' personal information and the data generated during the use of its products upon its operations, and the Group firmly believes that adequate maintenance, storage, and protection of user data and other related information are the important responsibility of our continuous business development. The Group strictly complies with the requirements of relevant laws and regulations including the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China.

We value the protection of players' personal information and have formulated Archosaur Games User Agreement, and updated the Archosaur Games Privacy Protection Policy during the Reporting Period, explaining how we collect, use, store, provide and protect the personal information of players, and how players can manage their personal information. Players should read the full contents of the Archosaur Games Privacy Protection Policy before using the Group's products and services, by agreeing to Archosaur Games User Agreement, players agree to authorize us to process their personal information in accordance with Archosaur Games Privacy Protection Policy to the extent permitted by applicable laws.

For handling the personal information of children under 14 years old, the Group has issued Archosaur Games Privacy Protection Policy for Children to explain its collection, use, storage, and protection of personal information involving children, as well as the relevant rights enjoyed by the children when using the game products and services operated by the Group. We have designated a dedicated person responsible for protecting the personal information of children and protecting the personal information of children in strict accordance with the relevant policies. If there are any related questions, comments or suggestions, the Group will handle and respond to them in a timely manner to ensure proper resolution of the related matters.



## Environmental, Social and Governance Report

We have adopted appropriate industry-standard security measures and technical means to store and protect the personal information of players from loss, misuse, unauthorized access, or leakage, tampering or destruction, including but not limited to firewalls, SSL encryption, de-tagging and anonymization process, and access rights restrictions. Our relevant system has passed the national network security level protection level 3 test and completed the relevant filing. We have established special security management system and procedures, including but not limited to the Personal Information Security Protection System, Permission Management System, Password Management System, Security Vulnerability Handling System, and Data Security Management System. We allow access to personal information only to those employees deemed necessary to know the relevant information and require them to fulfil the corresponding confidentiality obligations and monitor their operation. We also regularly organize information compliance training for employees. In order to avoid any loss of information and ensure information control, all information generated on our leased cloud servers are backed up immediately on the leased cloud servers and stored in accordance with local laws and regulations.

In case of any unfortunate security incident such as information leakage, we will immediately activate the emergency plan to prevent the expansion of the security incident and report it to the relevant competent authorities in a timely manner in accordance with the requirements of laws and regulations. We will inform players of the relevant conditions of the incident by email, push notification or announcement. If our physical, technical, or administrative protective equipment are damaged, resulting in unauthorized access to, public disclosure of, alteration of, or destruction of personal information, leading to damage to the legitimate rights of players, we will assume corresponding legal liabilities. During the Reporting Period, we have not experienced any material leakage or loss of users' information.

### **R&D**

As a mobile game company with the ability to develop high-quality mobile games and a good market reputation, the R&D of games are particularly important to the long-term development of the Group. The Group counts on its industry-leading R&D capabilities as a driving force to propel it forward, along with constant technology upgrades, continuous enrichment and expansion of product genres, and our core advantage of "integrating R&D and operation", to enhance the industry reputation. In the process of game development and operation, the Group always takes user experience as the highest pursuit, and meticulously crafts every detail, so that the game has outstanding performance in various aspects such as graphics, combat, and interaction. In the mobile gaming field, the Group has always maintained its advantages with the spirit of fine craftsmanship, and through continuous innovation, it has created excellent game products of international quality.





## Environmental, Social and Governance Report

R&D have always been our driving force and engine for continuous progress. The Group had a R&D center that primarily focuses on designing new games, optimizing existing games, innovating gameplay, originating game content, and enhancing players' experience. In order to maintain a competitive edge, our games have undergone a rigorous process of research, appraisal, development, and testing. As at 31 December 2024, the total number of full-time employees in the Group is 1,083 people, of which R&D center personnel account for approximately 77.65% of the total staff. We have formed a R&D and publishing team centered in Beijing, gradually expanding to various developed regions of the game industry across the country, and constantly recruiting high-end industry talents from point to area. Going forward, on the basis of continuously accumulating overseas publishing experience, we will actively develop and strategies a business system of integration of R&D and operation, continue to enrich and extend the array of products and genres, including MMORPG, SLG, female-oriented games, strategy cards and other genres to facilitate our continuous introduction of high-quality games. We will continuous exploring and reflecting on the entertainment sector, gaining deeper insights into market and user positioning, player preferences, and promotional strategies. With a grounded approach and bold spirit, we aim to create an exceptional online entertainment experience for players worldwide.

Innovation is the core driving force for the sustainable development of Archosaur Games, and technology is an important pillar for us to continuously improve our competitiveness. We firmly believe that only by keeping pace with cutting-edge technology and strengthening in-depth integration of technology with products can we forge ahead in the rapid development of the game industry and lead the industry trend. In the era of AI (Artificial Intelligence), with a deep understanding of the value of digitalization, we are devoted to studying combat-related AI behaviours and AI interactions of intelligent NPCs. We use different technologies in different products to achieve intelligent NPC embedding with high interaction and high emotional connection, which provides players with a richer and more immersive interactive game experience. Through the clever use of new technologies and tools in game development, we make the game world more vibrant.



## Environmental, Social and Governance Report

In order to improve product quality and standardize the work on decision-making, the Group has updated the Project Development Management Policy during the Reporting Period. This policy specifies the management issues in the project development process, including the management department of R&D, project approval process, trademark registration, game publication number application, the internal testing process, etc., to ensure the coordination and cohesion of each development process. The game development team must carry out continuous testing of the game during the development phase in accordance with the Pre-release Testing Policy System, such as internal and public testing, to optimize various metrics of the game project and ensure the quality of the game.

### IP Protection

IP are important to the Group's business, and we dedicate significant time and resources to the development and protection of IP. A significant portion of the Group's IP is internally created, including Loong Craft (六龍爭霸), Love & Sword (御劍情緣), Life Makeover (以閃亮之名), Immortal Skywalker (踏風行) etc. Going forward, our product line will also cover multiple games with original IP, and we will continue to enrich our original IP resources. The Group relies on strong IP creation and operational capabilities to strategically support the Group's future business layout. As at 31 December 2024, the Group had 128 copyrights certified and has registered and laid out trademarks in 16 countries and regions. In order to protect intellectual property rights and safeguard our own legitimate interests, we actively apply for copyrights, trademarks and patents for relevant products and technologies. We also strive to reinforce our original IP field. The launch of new products such as Life Makeover (以閃亮之名) is a manifestation to our continued focus on cultivating original IP. In respect of deepening our involvement in authorized IP, we have taken a further step to establish a longer-term collaborative relationship with the IP holder of Dragon Raja (龍族幻想), which has been widely endorsed and supported by global game players since it was launched, and we have obtained the global exclusive right to adapt the Dragon Raja (龍族) written works for the production of MMORPGs for a seven-year period, and the global exclusive right to adapt the Dragon Raja (龍族) series of novel and animation for the production of card game. Besides, we launched Dragon Raja: Cassell Gate (龍族: 卡塞爾之門) in September 2024.

We adopt various precautionary measures to avoid the third parties without our consent of obtaining and using the IP owned by us or licensed to us. Save as copyrights, trademarks, patents and other IP laws, the Group has employment contracts that set out IP rules that safeguard the inventions created by the Group, commercial secrets, and development projects, and enters into contracts for confidentiality and authorization, in order to secure its IP. The Group also specifies in the Code of Business Conduct for Employees that employees shall not, without the authorization of third parties and consent of the Group, apply the proprietary information or other information with IP into the Group's businesses to show respect to the IP rights of other parties.



# Environmental, Social and Governance Report

## Healthy Gaming

Mobile game companies are obligated to fulfil the social responsibility of concerning the health of players, which is also an important part of providing a profound gaming experience for players. The Group understands that players in different regions have cultural differences, so operating teams in each region will strictly comply with the laws and regulations on healthy games in the place of operation and in the app stores according to the relevant requirements of different countries. The Group has set up a dedicated team within the internal legal department responsible for ensuring that its online games operation complies with relevant rules and regulations.

The Group is dedicated to providing a healthy, green, and civilized gaming environment for its players and maintaining a good and harmonious gaming atmosphere together with them. The Group strictly adheres to the bottom line of content safety, and firmly prohibits all illegal and unlawful acts, such as trading cryptocurrency, using plug-ins, spamming advertisements, spreading rumours, abusing, fabricating, or distorting facts, destroying national unity, making personal attacks on others, violating others' privacy, involving obscene pornography, violence and terror, drugs, promoting gambling or abetting criminal topics, etc. The Group strictly examines violations and controversies, and if it is found that the above activities are carried out using our internet service system, the Group will take appropriate punitive measures in accordance with the nature and extent of such activities at our discretion in accordance with the Punishment System for Violations by Players. If users find that other users may be engaged in such violations, they may also report and complain through the specific reporting function in our products and services or through the specific channels provided on the official website of the Group.

## Preventing Minors from Indulging in Online Games

Since the Group's establishment, it has been actively fulfilling the corporate social responsibility, continuously improving measures for the protection of minors and constructing a protective system for healthy games for minors. The Group has strictly complied with Regulation on the Protection of Minors in Cyberspace and the Notice on Prevention of Minors from Indulging in Online Games published by the General Administration of Press and Publication. The Group has participated in the initiation and strict implementation of the terms and conditions of the Convention on Prevention of Indulgence in Online Games Industry and joined hands with the industry to create a disciplined and ethical ecology of online game industry. This convention has been published on the Group's official website and game interface at prominent locations.





# Environmental, Social and Governance Report

## Communication with Players and Customer Services

The Group offers game players with a wide range of player services and technical support, not only committed to satisfying the needs of our players, but also aimed at understanding the expectations of target customers through communication with players so as to constantly optimize our games. The Group has developed various policies for the customer service department, including Player Visit Specifications and Data Query Specifications and also designated player service representatives who are dedicated to answering queries, resolving technical issues, and offering consultation on gameplay and account maintenance. Players may contact our player service representatives through a variety of channels, including instant messenger, email, telephone, and in-game consultation systems. We provide players with the latest communication channels through announcements, record feedback from players on account, data, recharge, and other related issues, handle them in order as soon as the service is restored to normal, and inform players through announcements. The Group also outsources player services to third-party service providers, such as local service representatives, who are engaged to tackle language problems in communicating with local game players, and telephone operators, who are engaged to answer and direct calls to our internal representatives.

The Group has relevant policies in place for responding to complaints to ensure proper handling of complaints and recommendations raised by game players, and practically safeguard the rights and interests of game players. During the Reporting Period, the Group received a total of 118 game-related complaints involving 6 games, Life Makeover (以閃亮之名), Dragon Raja: Cassell Gate (龍族：卡塞爾之門) etc. All complaints were answered, and the problems were followed up until they were resolved, or a complete solution was given.

Meanwhile, the Group has a survey team that actively solicits players' feedback and collects information from online public forums. A data analysis system is used to evaluate players' satisfaction with our games, calculate and analyze player retention rates and other operating indicators, the games will then be redesigned or optimized based on the analysis.



# Environmental, Social and Governance Report

## Advertisement Management

The Group markets its games worldwide through a diverse spectrum of advertising and promotional programs. We have a dedicated team that works closely with our publishing team to design and implement marketing and promotional programs catering to the characteristics of our target groups of game players. According to the target audience's preferences, the Group carries out different online advertising forms such as feeds, online video commercials, loading screen commercials and in-app commercials, and applies artificial intelligence and big data to monitor the quality of the content and commercial effectiveness. The Group may also select offline marketing and promotion activities to achieve optimal publicity with commercial efficiency. In addition, the Group participates in various industry expos and conferences to promote our games and achieve maximum exposure.

The Group has established guidelines related to advertising and labelling to regulate product advertising and labelling issues. We strictly review the products and services we provide as well as related sales, marketing and advertising strategies and materials to ensure that no false publicity is involved and they comply with applicable laws and regulations, including but not limited to the Advertising Law of the People's Republic of China and Measures for the Administration of Internet Advertising, etc. We strictly conduct legitimate marketing and consciously resist illegal acts and vulgar marketing.

## ANTI-CORRUPTION

The Group believes that a corporate culture of high integrity is the key to the business success, therefore, it attaches high importance to its anti-corruption work and system establishment, and is committed to building an incorruptible, open, and transparent corporate culture. As one of the core values, the Group expects every employee to adhere to the principles of honesty and integrity in all aspects of work. The Group requires all employees to abide by the code of business ethics and undertake that there will be no corruption and bribery, nor will they engage in any fraud, extortion, or money laundering activities.

In order to enhance governance and internal control of the Group, the Management System for Anti-fraud and Anti-money Laundering stipulates the work conduct required for employees by defining various areas relating to the work of anti-fraud and anti-money laundering, so as to avoid behaviours and circumstances which endanger the interests of the Group and shareholders or violate the recognized ethical norm of society, and minimize risk exposure of the Company. As the highest supervisory body, the Board is responsible for the overall examination and supervision of anti-fraud measures. By offering regular and irregular personnel training and performing a background check for recruitment of key positions, the human resources department exercises the related function of fraud prevention. The Group conducts a comprehensive risk assessment every year, including the assessment of risks of fraud, and exercises regular control of the implementation of countermeasures.



## Environmental, Social and Governance Report

In addition, the Code of Business Conduct for Employees stipulates the expectation of the Group on the employees regarding anti-corruption and prohibits behaviours involving risks of bribery, extortion, fraud, and conflicts of interests. All staff in discharge of duties on behalf of the Group should abide by various requirements outlined in the code and uphold honesty and integrity. For staff severely violating such code, their employment contracts can be terminated and will be liable to corresponding punishment.

The Group also arranges anti-corruption related training activities for its directors and employees at least once a year. During the Reporting Period, 7 directors and 56 employees of the Group (2023: 7 directors and 52 employees) participated in an anti-corruption training, to get familiar with their corresponding roles and responsibilities in anti-corruption and business ethics, so as to cultivate employees' anticorruption awareness and good professional conduct.

The Group strictly complies with the laws and regulations related to the prevention of bribery, extortion, fraud, and money laundering, including but not limited to the Criminal Law of the People's Republic of China, Company Law of the People's Republic of China, and Anti-Unfair Competition Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any significant non-compliance with the laws and regulations which may have a significant impact on the Group relating to the prevention of bribery, extortion, fraud, and money laundering, nor any filed and concluded legal cases regarding corrupt practices brought against the Group or its employees (2023: no cases).

### WHISTLEBLOWING MECHANISM

The Group has established a strict and safe reporting mechanism to cultivate and maintain a clean and transparent culture of the Group. Through an internal system and mailbox for whistleblowing provided on the company website, our stakeholders, including employees and the public, may report any suspected fraud cases. Whistleblowers may choose to report anonymously or with real names. The Group strictly keeps confidential of the identities of whistleblowers except in cases where public authorities request access in accordance with the law. For the reported information received, the internal audit department is responsible for acceptance and preliminary verification in accordance with formal operating specifications and procedures. For cases showing signs of fraud, the internal audit department will conduct an investigation, with the results and opinion reported to the Board.



# Environmental, Social and Governance Report

## SUPPLY CHAIN MANAGEMENT

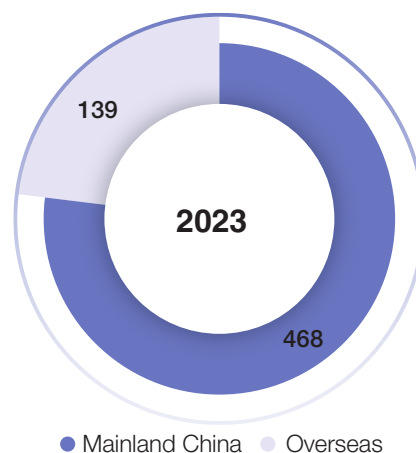
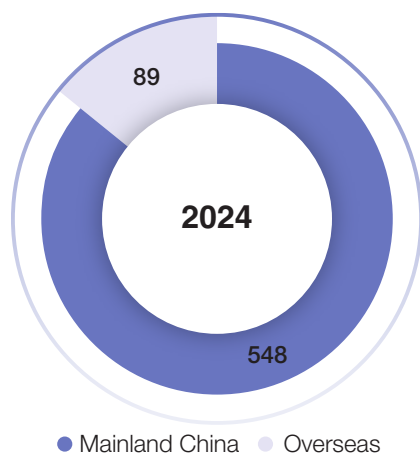
The suppliers of the Group mainly include third party channel distributors, IP holders and marketing service providers who are responsible for our integrated game distribution and operation of business. In order to standardize, routinise and institutionalize the procurement management process, the Group has established the Procurement Management Procedures to regulate the procurement management work of the Group's management, responsible personnel for procurement, procurement executives and financial budgeting team to reduce the risk of procurement work. Each procurement-related department has established and improved the supplier evaluation and access system. For suppliers identified for cooperation, capital information (business license) and relevant qualification certificates (such as exclusive agent) and other information of the suppliers shall be obtained. The relevant policy regulates the standards for procurement inquiries and price comparison. The procurement executives select 2 to 3 suppliers for price inquiries and comparison, and carry out evaluation on suppliers' performance in various aspects, such as product quality, product price, procurement volume, supplier scale, and after-sales services, etc. The evaluation results are reviewed by the management.

The Group ensures that the procurement process is carried out under open, fair, and just conditions, and does not give discriminatory treatment to any suppliers, employees and other individuals who have a relationship for common benefit with the relevant supplier are strictly prohibited to participate in relevant procurement activities. If the subject of the procurement is from a single source of supply or is of a monopoly nature, or if the department has special procurement needs, the technical department or the requesting department will need to provide full and reasonable justification to ensure fairness of the procurement process. The Group has also shown concern about the integrity of suppliers and partners and has zero-tolerance for bribery and corruption. The Group strictly prohibited suppliers and partners from obtaining procurement contracts or partnerships through any form of transfer of benefits.

The Group carefully evaluates potential candidate suppliers in accordance with the Internal Management Control Policy, selects suitable suppliers to support the Group's operations and minimizes potential environmental and social risks, including giving priority to suppliers who provide environmentally friendly products and services in the selection process. We also give preference to local suppliers in order to support the local economy and to integrate corporate social responsibility into our supply chain management.

During the Reporting Period, the Group had a total of 637 suppliers from different regions (2023: 607 suppliers), all of which passed the Group's procurement assessment. Suppliers are distributed by geographical region as follows:

### Number of Suppliers by Geographical Region



# Environmental, Social and Governance Report

## EMPLOYMENT AND LABOUR PRACTICES

### HUMAN RESOURCE DEVELOPMENT

Employees are the Group's largest and most valuable asset and the core of the competitive advantage, while providing the Group with the driving force for continuous exploration and innovation at the same time. The Group firmly believes that talents are the top priority of the Group's sustainable development strategy, we respect and protect the legitimate rights and interests of every employee. We have implemented comprehensive employee policies including the Employee Handbook, Code of Business Conduct for Employees and Attendance Management Policy, etc. and distributed them to all employees. The policies contain internal rules and guidelines on best business practices, professional ethics, anti-fraud mechanisms, negligence and corruption. We provide employees with regular training and resources, and explain the guidelines contained in the Employee Handbook. Through these policies, the Group is committed to protecting the occupational health and safety of employees, safeguarding the vital interests of employees. The Group fully respects and attaches great importance to stimulating employees' enthusiasm, initiative, and creativity, and is devoted to building harmonious labour relations.

The Group strictly complies with the laws and regulations relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to Labour Law of the People's Republic of China and Labour Contract Law of the People's Republic of China. During the Reporting Period, the Group was not aware of any major non-compliance with laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that may have a significant impact on the Group.

As at 31 December 2024, the Group employed 1,083 full-time employees. The breakdown is as follows:

Category	Number of Employees (Breakdown)	
	As at 31 December 2024	As at 31 December 2023
Total number of full-time employees	1,083	1,087
<b>By gender</b>		
Male	690 (63.71%)	639 (63.75%)
Female	393 (36.29%)	394 (36.25%)
<b>By age group</b>		
Under 30 years old	477 (44.04%)	529 (48.67%)
30-50 years old	604 (55.77%)	558 (51.33%)
Above 50 years old	2 (0.19%)	—
<b>By geographical region</b>		
Beijing	851 (78.58%)	868 (79.86%)
Chengdu	43 (3.97%)	46 (4.23%)
Changchun	113 (10.43%)	100 (9.20%)
Shanghai	61 (5.63%)	57 (5.24%)
Haikou	15 (1.39%)	16 (1.47%)

# Environmental, Social and Governance Report

The Group's total number of employee turnover in 2024 is 316 (2023: 371), resulting in a turnover rate<sup>2</sup> of approximately 29.12% (2023: approximately 32.72%). The employee turnover rate by gender, age group and geographical region is shown as follows:

Category	Number of Employee Left (Turnover Rate) <sup>2</sup>	
	2024	2023
Total	<b>316 (29.12%)</b>	371 (32.72%)
<b>By gender</b>		
Male	<b>213 (30.80%)</b>	239 (32.69%)
Female	<b>103 (26.18%)</b>	132 (32.75%)
<b>By age group</b>		
Under 30 years old	<b>169 (33.60%)</b>	205 (36.00%)
30-50 years old	<b>147 (25.30%)</b>	166 (29.41%)
Above 50 years old	—	—
<b>By geographical region</b>		
Beijing	<b>261 (30.37%)</b>	265 (29.20%)
Chengdu	<b>14 (31.46%)</b>	6 (13.04%)
Changchun	<b>18 (16.90%)</b>	13 (15.48%)
Shanghai	<b>21 (35.59%)</b>	42 (63.16%)
Haikou	<b>2 (12.90%)</b>	11 (84.62%)
Guangzhou <sup>3</sup>	<b>N/A</b>	31 (200.00%)
Korea <sup>3</sup>	<b>N/A</b>	3 (200.00%)

Notes:

- Employee turnover rate = the number of employees left in that category for the year ÷ the average number of employees in that category at the beginning and end of the year × 100%.
- Please refer to the section headed "Reporting Scope" for detailed information regarding to the reporting scope.





# Environmental, Social and Governance Report

## Employee Remuneration and Benefits

The Group is committed to establishing a competitive and fair remuneration and welfare system to attract and retain outstanding talents. To ensure employees receive a competitive remuneration package, we continually refine our remuneration and incentive policies through market research and comparisons with our competitors and have formulated the Remuneration Management Policy and implemented confidential remuneration. The remuneration of employees usually includes basic salary, performance bonus and year-end bonus. By adopting equity incentive plans, the Group rewards directors, senior management, and employees for their contributions to the Group and attracts, motivates and retains skilled and experienced talents for the future development and expansion of the Group as well. The Group also has a salary adjustment mechanism, we conduct monthly performance evaluations to provide employee performance feedback and conduct quarterly selections to affirm and encourage outstanding employees.

The Group has also formulated Welfare Management Policy to specify the content of employee benefits. The Group has signed and performed labour contracts with employees according to the Labour Contract Law of the People's Republic of China and provide social insurance welfare "five insurances one fund" (i.e. pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund in accordance with the law), to ensure that employees enjoy social insurance benefits. Employees are entitled to various types of paid leave, including but not limited to annual leave, wedding leave and maternity leave, etc. In addition, the Group also provides supplemental medical insurance, personal accident insurance, annual medical check-up, file management and work residence permit application services for employees.

The Group also complies with the requirements of the national and local laws and regulations such as the Labour Law of the People's Republic of China, to effectively protect the legitimate rights and interests of labour and respect their rights to rest and take vacations and regulates the employees' working hours and various holidays in accordance with the Employee Handbook.

## Recruitment, Promotion and Dismissal

The Group has formulated a transparent Recruitment Management Policy to attract and select talents and enhance the business competitiveness. The Group's recruitment follows the principle of equal opportunity. When there is a job demand, the Group's employees have the same opportunities as external applicants, and the principles of fair competition, merit-based admission and probation shall be ensured. All recruitment of candidates needs to be jointly inspected by the employing department and the human resources department in terms of knowledge, ability, morality, health, and job competence. At the same time, we focus on the skills capability and integrity that are closely related to the Group's strategy, culture, and business. The human resources department of the Group is not only responsible for the implementation of recruitments, selections, interviews, but also responsible for consolidating the recruitment needs from various departments, in accordance with the existing plans and business development. It is also responsible for compiling annual staff recruitment plans, decomposing monthly recruitment plans and improving the Group's recruitment system and process.

# Environmental, Social and Governance Report

The Group has set up a talent recruitment channel on its official website, among which the main page of the campus recruitment details the recruitment process, employee benefits and vocational training to provide appropriate guidance for fresh graduates on job seeking. The Group will adhere to its original intention, continue to carry out more public welfare activities, and nurture more professional talents to the industry.

The Group has established a Performance Management Policy to guide, evaluate, develop, motivate, and reward employees' performance in a systematic manner. The policy also regulates the promotion and career development of employees. For employees with outstanding performances, the Group will provide more opportunities in training, promotion, and career development. The Group has also formulated the Resignation Management Policy to regulate resignation of employees, clarify the operation procedures of resignation, and ensure the legitimate rights and interests of the resigned employees.

## Employee Engagement, Diversity and Inclusion

Apart from taking good care of the staff at workplace, the Group also aims to provide employees with a work-life balance lifestyle. The Group organizes festive celebrations during the festivals such as New Year's Day, Spring Festival, Women's Day, Children's Day, Dragon Boat Festival, Chinese Valentine's Day and Mid-Autumn Festival, and the 10th Establishment Celebration of the Group presenting the employees with gifts and expressing the Group's sincere festive blessings to them.



New Year's Day and Dragon Boat Festival

## Environmental, Social and Governance Report



Chinese Valentine's Day and Mid-Autumn Festival



10th Anniversary Event

### Equal Opportunity

The Group is committed to creating an equal corporate culture and providing employees with an equal, diversified, and non-discriminatory working environment. We strictly abide by the laws and regulations of the nation and the local government, and adopt a fair, impartial and open recruitment process. We are committed to providing equal opportunities in respect of employment, maintaining a workplace in which nobody is differentially treated, excluded, or given preference out of their race, colour, age, family background, gender, religion, ethnicity, or social origin. In the process of recruitment, training, and promotion, we treat all candidates equally to protect their rights and interests, which creates and maintains an inclusive and collaborative workplace culture.



# Environmental, Social and Governance Report

## EMPLOYEES' HEALTH AND SAFETY

As a mobile game company, the Group's employees do not involve in any significant health and safety risks in daily operation. Nevertheless, the Group attaches great importance to the health and safety of employees and has also formulated relevant policies to ensure a healthy, safe, and comfortable working environment for employees.

The Group strictly complies with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Labour Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Fire Protection Law of the People's Republic of China, etc. During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that may have a significant impact on the Group and had no lost days due to work-related injuries (2023: no lost days due to work-related injuries). The Group had no work-related fatalities in the past three years, including the Reporting Period.

At the same time, the Group cares for its employees and values their mental health and encourages employees to achieve a balance between work and life and maintain their physical and mental health. The Group has established various clubs for employees, including clubs for ball games, board games, handicrafts, photography, dances, etc. The Group also sets up reading areas and other equipment for employees, aiming to enhance the sense of belonging of employees and the cohesion of the team through social activities, relieving work pressure, and creating a good working atmosphere.



Badminton Club



Football Club



Handcraft Club



Photography Club

# Environmental, Social and Governance Report

Also, the Group provides healthy lifestyle and safety information to employees to enhance their own health awareness. Apart from providing regular massage and relaxation time, the Group also organizes regular free medical examinations for employees, demonstrating its care for the health of employees.

## DEVELOPMENT AND TRAINING

The Group attaches great importance to the professional development of employees and integrates “continuous learning” into the Group’s corporate culture by setting relevant policies and providing regular and specialized training tailored to the needs of employees in different departments. The Group has a training center that regularly organizes internal training sessions conducted by senior employees or external consultants on topics of interest that employees can vote on. The training center, managed by the heads of our human resources department and administration department, schedules regular training, reviews the content of the training, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. The training courses cover overall management, project execution, laws and regulations and technical knowledge and other aspects.

The Group also provides regular training to the information technology team and organizes workshops from time to time to discuss any issues and necessary updates. Throughout the training, we facilitate the employees to understand the latest development in the industry and follow up with skills and technology, in order to strengthen the skills and knowledge of the employees and meet customer needs.

The total training hours of the Group for 2024 is approximately 583.50 hours (2023: approximately 1,589.50 hours). Contents covered in the training include, but are not limited to, professional skills, general knowledge, health and safety, confidentiality and compliance. The percentage of employees trained<sup>4</sup> is approximately 35.09% (2023: approximately 58.05%). The employee training data by gender and employee category are as follows:

Category	Number of Employees Trained (Breakdown <sup>5</sup> )		Average Training Hour <sup>6</sup>	
	2024	2023	2024	2023
Total	380	631	0.54	1.46
<b>By gender</b>				
Male	225 (59.21%)	374 (59.27%)	0.50	1.44
Female	155 (40.79%)	257 (40.73%)	0.61	1.51
<b>By employee category</b>				
Staff from R&D center	292 (76.84%)	555 (87.95%)	0.53	1.58
Staff from publishing and operation center	51 (13.42%)	40 (6.34%)	0.55	0.87
General management staff	37 (9.74%)	36 (5.71%)	0.57	1.21

Notes:

- Percentage of employees trained = number of employees trained for the year ÷ total number of employees at the end of the year × 100%.
- Breakdown of number of employees trained = number of employees trained in that category for the year ÷ total number of employees trained for the year × 100%.
- Average training hours = training hours of employees in that category ÷ number of employees in that category at the end of the year.



# Environmental, Social and Governance Report

## LABOUR STANDARDS

The Group strictly complies with the laws and regulations relating to preventing child and forced labour, including but not limited to the Labour Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, and Provisions on the Prohibition of Using Child Labour. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations related to the prevention of child labour or forced labour that may have a significant impact on the Group.

The Group strictly prohibits the employment of any child labour. To prevent child labour in the operation, the Group requires candidates to provide true and accurate personal information. The recruiters strictly review the candidates' information, such as identity cards, bank accounts and other information in order to further confirm the qualifications of candidates. If any case of child labour is discovered, the Group will immediately terminate their contract and contact their parents or legal guardians to arrange the return of the child worker to their original place of residence promptly and bear all the related expenses.

In addition, the Group has clearly stated the standardized working hours and overtime management policy in the Employee Handbook to prevent the case of forced labour and protect the rights and interests of employees. Employees need to follow the principle of voluntariness for overtime work and submit overtime applications as required to avoid the violation of labour standards. If any violations are found, the Group will immediately carry out relevant investigations and transfer them to the relevant judicial authorities.



# Environmental, Social and Governance Report

## ENVIRONMENTAL PROTECTION

### GREEN OPERATION

#### Environmental Targets

As the environmental threats occasioned by climate change are imminent, society increasingly urges concerted efforts to take emergency actions from all walks of life. The Group attaches great importance to sound environmental management and undertakes to provide necessary labour, logistics, technical and financial support for environmental protection work in order to fulfil the Group's social responsibility. In accordance with the national rules on environmental protection and resource conservation, and in line with the actual operational needs, the Group has established an environmental protection and resource conservation system, as described in the Environmental and Social Responsibility Management Policy, to control the greenhouse gases ("GHG") generated and energy consumption during operation so as to ensure compliance with all relevant requirements from environmental protection laws, rules and regulations. The Group regularly assigns designated personnel to examine the implementation of the environmental protection policy, rectify behaviours not in line with the Group's environmental protection policy, and adopt corresponding remedial measures. We have also taken the initiative to introduce environmental protection practices to our operation to raise the employees' awareness of environmental protection.

In order to ensure that we can effectively implement the sustainable business model, we have set a number of environmental targets in line with its development direction and strategic direction. We closely monitor and regularly review its progress and are committed to achieving them through various environmental protection measures in the subsections under "ENVIRONMENTAL PROTECTION" aspect. The relevant data and year-on-year comparisons are also disclosed in the subsections under "ENVIRONMENTAL PROTECTION" aspect.

Aspects	Targets	Progresses
Carbon Reduction	On or before the year ended 31 December 2025 ("2025"), reduce GHG emission intensity by 5% from the year ended 31 December 2021 baseline	In progress. In 2024, the Group organized relevant environmental activities, including but not limited to environmental bazaar, to demonstrate the Group's concern for the environmental cause.
Waste Reduction	In 2024, office paper disposal intensity will be reduced by 2% from 2023 baseline	Achieved. In 2024, the Group's office paper disposal intensity reduced approximately 15% as compared to 2023.
	By 2025 or before, implement waste sorting in all office buildings	In progress. Waste sorting has been implemented and environmental protection campaigns have been conducted in Beijing, Shanghai and Changchun offices. Meanwhile, the Group is actively placing waste sorting bins in Chengdu and Haikou Offices.





# Environmental, Social and Governance Report

Aspects	Targets	Progresses
Energy Conservation	By 2025 or before, formulate a management system for energy conservation and environmental protection, and implement green office	In progress. The Group holds an energy conservation and environmental protection activities annually, aiming to raise the awareness of environmental protection among employees. In addition, the Group updated the Energy-Saving and Emission Reduction Policy in 2024.
	By 2025 or before, optimize the energy system of the building	In progress. The Group will move forward based on the arrangements of property buildings in different regions.
Water Saving	From 2022, hold at least one water saving activity every year to raise the awareness of water saving among our employees	Achieved. In 2024, the Group organized a comprehensive promotion activity on environmental protection to encourage employees to raise their awareness of energy conservation and environmental protection. The target will be carried forward to 2025.

## Emissions

Being a mobile gaming company, the emissions of the Group are insignificant, mainly consisting of GHG emissions caused by purchased electricity and disposal of non-hazardous waste. As set out in the Environmental and Social Responsibility Management Policy, the Group would adopt environmentally friendly technologies whenever possible, such as designs dedicated to energy-saving and waste reduction. The Group would also continue to increase staff awareness of environmental protection and resource conservation through effective means such as propaganda and education, for instance, encouraging the employees to take public transport to lower the generation of daily GHG emissions.

The Group strictly complies with the laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, Law of the People's Republic of China in the Prevention and Control of Atmospheric Pollution and the Water Pollution Prevention and Control Law of the People's Republic of China, etc. During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations relating to exhaust gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that may have a significant impact on the Group.

# Environmental, Social and Governance Report

## Exhaust Gas Emissions

Due to the business nature, we are not involved in industrial production or owning any vehicles, therefore our operations will not generate a large amount of exhaust gas emissions.

## GHG Emissions

The major source of the Group's GHG emissions is the energy indirect GHG emissions (Scope 2) arising from the consumption of purchased electricity. Since the Group does not have industrial production or own any vehicles, it does not involve direct GHG emissions (Scope 1). The Group proactively adopts electricity saving measures to reduce GHG emissions, including strict control on the usage of air-conditioning, lighting facilities and office appliances. The specific measures will be described in the section headed "Energy Management".

Since the electricity carbon footprint factor increased, during the Reporting Period, the Group's total GHG emissions has increased. However, the GHG emissions intensity has decreased by approximately 15% as compared to 2023. The performance of the Group's GHG emissions is as follows:

Indicators <sup>7</sup>	Unit	2024	2023
Direct GHG emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalent ("tCO <sub>2</sub> e")	–	–
Energy indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO <sub>2</sub> e	<b>804.39</b>	747.11
Total GHG emissions (Scope 1 & 2)	tCO <sub>2</sub> e	<b>804.39</b>	747.11
GHG emissions intensity <sup>8</sup>	tCO <sub>2</sub> e/million revenue	<b>0.70</b>	0.82

Notes:

- GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development; "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and the "2023 National Power Carbon Footprint Factor" jointly released by the Ministry of Ecology and Environment of the People's Republic of China, the National Bureau of Statistics, and the National Energy Administration; and the "Global Warming Potential Values" from the IPCC Sixth Assessment Report.
- During the Reporting Period, the total revenue of the Group was RMB1,141.1 million (2023: RMB908.5 million). This data will also be used to calculate other intensity data.



# Environmental, Social and Governance Report

## ***Sewage Discharge***

Since our business activities do not consume a large amount of water, we do not generate a large amount of sewage discharge. In addition, the wastewater discharged by the Group will be sent to the regional water purification plant through the municipal sewage pipe network, so the water consumption of the Group is equivalent to the amount of sewage discharged. The Group's water consumption data will be described in the section headed "Water Management".

## ***Waste Management***

The Group adheres to the principles of waste management and is committed to the proper treatment and disposal of all waste generated by our business activities. We identify, classify, as well as centrally store the waste. The Group sets up unified collection boxes for classification, assigns responsible personnel to handle waste in a timely manner, and maintains the environmental sanitation around the collection boxes. Our waste management practices are in compliance with relevant environmental laws and regulations.

### *Hazardous Waste*

Due to the business nature, the Group does not use toxic or hazardous substances, hence no hazardous waste is generated during the operation. In the unlikely event that any hazardous waste is generated, we will engage a qualified chemical waste recycling company for handling such waste in compliance with relevant environmental laws and regulations.

### *Non-hazardous Waste*

Due to the business nature, the major non-hazardous waste generated during the Group's operation is general office waste. The Group adheres to the 4Rs principle and strives to properly manage and dispose of the non-hazardous waste generated from its operations. In order to minimise the use of paper, we have regularly monitored the consumption of paper and implemented the following measures and regulations to reduce waste:

- Set up waste paper recycling bins;
- Carefully check the content before printing and copying to avoid repeated printing due to errors;
- Printed documents should be properly formatted, with reduced margins and line spacing to minimize paper waste;
- Reduce paper consumption in the workplace through promoting double-sided printing and scanning;
- Encourage employees to utilize electronic means of communication such as email and corporate WeChat to promote a "paperless office"; and
- Recycle waste paper, cardboard boxes, envelopes, and binders.

# Environmental, Social and Governance Report

At the same time, due to operational changes in the Group's office, the total disposal volume of non-hazardous waste has slightly increased as compared to 2023. However, since the Group's revenue has increased, the non-hazardous waste disposal intensity has also decreased by approximately 19% as compared to 2023. The performance of the Group's non-hazardous waste discharge is as follows:

Types of Non-hazardous Waste	Unit	2024	2023
General office waste	kg	<b>74,610.35</b>	73,761.50
Plastic waste	kg	<b>5,230.15</b>	5,321.50
Printing paper waste	kg	<b>1,155.40</b>	827.96
Other paper waste	kg	<b>4,177.60</b>	4,152.00
Food waste	kg	<b>805.50</b>	895.00
Total disposal volume of non-hazardous waste <sup>9</sup>	kg	<b>85,979.00</b>	84,957.96
Non-hazardous waste disposal intensity	kg/million revenue	<b>75.35</b>	93.51

Note:

9. Total non-hazardous waste equals to approximately 85.98 tonnes (2023: approximately 84.96 tonnes).

## Use of Resources

The Group considers the active promotion of efficient use of resources as its mission, and formulated energy conservation policies to ensure that the use of resources in its business operations is reasonable and highly efficient, to promote a green operating environment, and to minimize the environmental impact of the Group's operations. The Group's employees coordinate with these policies and consciously cherish electricity, paper, and water resources. The Group's Environmental and Social Responsibility Management Policy and Energy Conservation and Emission Reduction Policy require the diligent implementation of energy conservation and emission reduction responsibilities during operations. This includes actively using energy-efficient products, developing a circular economy, and improving resource utilization to reduce the consumption of various resources such as water, electricity, and paper. Additionally, through reasonable planning, we aim to enhance energy efficiency and reduce the negative environmental impact of office areas, such as minimizing greenhouse gas emissions and water resource pollution, thereby fulfilling our corporate social responsibility and contributing to environmental protection.





# Environmental, Social and Governance Report

## Water and Energy Management

### Energy Management

The Group actively implements the concept of energy conservation and emission reduction. In addition to reducing the unnecessary electricity, the Group is also committed to fulfilling the corporate responsibility for energy conservation and emission reduction, and building a green and environmentally friendly working environment. The Group actively reduces electricity consumption by managing the use of air-conditioning, lighting facilities and office equipment to achieve energy conservation. In order to reduce electricity consumption, the Group actively adopts advanced lighting that is more environmentally friendly and requires turning off or lowering the lights under sufficient sight conditions. In addition, in order to minimise excess energy, the Group has formulated clear management measures for air conditioners and office appliances. These include but are not limited to:

- The air-conditioning cooling temperature setting in summer is not lower than 26 degrees, and the heating temperature setting in winter is not higher than 20 degrees;
- Turn off the air conditioner 30 minutes before leaving the office;
- When using the office equipment, adjust the screen to an appropriate brightness to avoid excessive brightness;
- Turn off the screen when the person leaves the seat for more than 5 minutes;
- Printers, copiers, and other equipment should be turned off outside of working hours and turned on only when needed;
- Turn off the computers in the office before leaving;
- Be sure to turn off the power of personal office equipment at the end of the workday, including monitors, chargers etc; and
- Keep ventilation around the computer chassis of the office computers to avoid an accumulation of debris that affects the heat dissipation of the equipment.

Due to operational changes in the Group's office, during the Reporting Period, the Group's total energy consumption intensity has decreased by approximately 21% as compared to 2023. The energy consumption performance of the Group is as follows:

Types of Energy	Unit	2024	2023
Direct energy consumption	kWh	–	–
Indirect energy consumption			
• Purchased electricity	kWh	<b>1,296,362.00</b>	1,310,037.28
Total energy consumption	kWh	<b>1,296,362.00</b>	1,310,037.28
Energy consumption intensity	kWh/million revenue	<b>1,136.06</b>	1,441.98



# Environmental, Social and Governance Report

## **Water Management**

The water consumed by the Group is mainly domestic water, such as toilet water and cleaning water. Due to the geographical location of the Group's operating sites and nature of its business, the Group does not have any major issues in the access to suitable water sources.

We encourage all employees to develop the habit of consciously saving water. The Group has strengthened water-saving promotion by organizing water saving activities and posted water-saving slogans "Turn off the water tap before leaving" and guided employees to use water effectively. Besides, we use water-saving sanitary ware wherever possible, regularly inspect the water supply and drainage systems and water equipment of the toilets and pantry, and promptly investigate and repair the leakage.

Due to operational changes in the Group's office, during the Reporting Period, the Group's total water consumption intensity has decreased by approximately 24% as compared to 2023. The water consumption performance of the Group is as follows:

Water Consumption	Unit	2024	2023
Total water consumption	m <sup>3</sup>	6,342.00	6,624.94
Water consumption intensity	m <sup>3</sup> /million revenue	5.56	7.29

## **Use of Packaging Materials**

Due to the business nature, we do not consume a significant amount of packaging materials as we do not have any industrial productions nor any factory facilities.

## **The Environment and Natural Resources**

The main business of the Group is the development and operation of mobile games, which will not have a significant impact on the environment and natural resources, yet, the Group continues to pursue environmental protection and focuses on the impact of the Group's business on the environment and natural resources. In addition to complying with environmental regulations and international standards and setting up relevant policies, and properly protecting the natural environment, the Group has also adopted a number of measures to reduce its impact on the environment. On the other hand, the Group also provides environmental protection education to all employees, so as to improve their environmental awareness of employees.

## **Work Environment Management**

The Group is committed to providing employees with a comfortable and green working environment and maintaining a hygienic and neat environment in the workplace to increase work efficiency. Representatives from both the Group and the property management company inspect the office area regularly, to ensure that a clean and tidy working environment is maintained. Problems within the workplace will be identified in a timely manner and preventative measures will be taken to minimize potential hazards. Due to the Group's business nature, our daily operation does not have a significant impact on the office's air quality. Nevertheless, the Group monitors the indoor air quality of the workplace regularly and is dedicated to maintaining sound indoor air quality by cleaning the air-conditioning system regularly.



# Environmental, Social and Governance Report

## Climate Risk Management

### *Climate Change*

The Group is aware of the potential risks and opportunities that climate change poses to the Group's operations and has set up corresponding policies to manage related risks and opportunities. The Group will actively incorporate climate change risks into the corporate risk management and internal control framework, and at the same time strengthen the Group's resilience and adaptability to the potential impact of climate change. Based on the framework and recommendations of the Task Force on Climate-related Financial Disclosure, the Board and the management of the Group have identified the physical risks and transformation risks that climate change may cause to the business development of the Group and formulated corresponding mitigation plans and adaptive responses.

Category	Short Term (1-5 years)	Mid-long Term (5 years or above)
Physical risks	Climate change brings more frequent and intense extreme weather events, such as typhoon, flood, heavy rain, drought, extremely cold and extremely hot weather. Such events may affect the operation of municipal infrastructure, causing inconvenience to employees in commuting and, in severe cases, threatening the personal safety of employees, thus affecting the stability of the business of the Group. These events may also shorten the service life of the data center infrastructure, resulting in higher maintenance costs and affecting the financial budget of the Group. The Group has assessed the risk of extreme weather events for each office location based on its geographic conditions, formulated contingency management plans, established disaster backup and recovery system for owned/leased servers, backed up important data through cloud services and regularly organized contingency drills. In case of extreme weather, the Group will follow the instruction of the local government emergency management department to implement flexible work arrangement and preventive measures to protect the safety of people and properties.	The increase in average temperature may lead to an increase in cooling demand in the commercial areas where office buildings are located, resulting in a shortage of electricity and water and an increase in operating costs. To enhance the Group's capability to cope with long-term physical risks, we have actively implemented management policies and conservation measures for use of resources in our operation, and improved the efficiency of our office facilities, such as using LED lighting system. By improving the efficiency of energy and water resources of our office operation, we believe that not only can we mitigate the impact of climate risks on the Group, but also reduce our operating costs.

# Environmental, Social and Governance Report

Category	Short Term (1-5 years)	Mid-long Term (5 years or above)
Transition risks	<p>In response to climate change, the Chinese government has set a target of “carbon peak before 2030 and carbon neutrality before 2060” and has reduced the cost of GHG emissions through the carbon emissions trading market. In the future, environmental disclosure requirements by regulation authorities and capital markets are likely to be raised constantly, and the requirements on review of carbon emissions information for non-high emission enterprises may also be raised. Such policies and regulations may impose additional compliance costs on the Group. We have actively responded to China’s carbon neutrality plans and targets and set clear energy conservation and emission reduction targets to reduce GHG emissions, with a view to integrating the transformation of a low carbon economy into our ESG strategies.</p>	<p>In the process of transformation into a low-carbon economy, corresponding new technologies and new equipment may face the risk of financial loss in the event of failure of R&amp;D. We will examine the reasonableness of the investment in new technologies and their suitability for our business content, and gradually implement the application through feasibility studies.</p> <p>Players are gradually increasing their preference for green products. If we fail to integrate sustainable development into our business operation in a timely manner and effectively address the issues arising from climate change, we may lose our competitiveness, resulting in damage of our brand image, loss of players or reduction in market share. We will maintain good communication channels with our players and research their market preference in a timely manner to ensure our provision of products and services can meet their needs. While fulfilling compliance requirements, we will strengthen our concern about the sustainable development and climate change disclosure requirements and optimize our internal and external communication to create a corporate image with active response to green transformation. We will also integrate the concept of sustainable development into our daily operation, implement the practice of purchasing environmentally friendly products and services in our operation, incorporate environmental factors into the selection criteria of suppliers, and give priority to cloud server suppliers that hold the concept of green data center in order to maximize energy efficiency and minimize environmental impact.</p>

In addition to identifying climate change-related risks, we believe that climate change is both a growth opportunity and a value option for the Group. Market changes can also bring value-creating opportunities to the Group as long as the willingness and determination of responsible operating are demonstrated. As a mobile game company with the ability to develop high-quality games, the Group’s R&D center is planning to add elements of the sustainable development concept to games during game R&D, to enhance brand image, cater to consumer preferences and enhance the competitiveness. In addition, continuous review of energy saving, and emission reduction measures can reduce the operating costs of the Group. By driving carbon reduction in the value chain and raising environmental awareness, we expect to gain a stronger competitive position in the transition to a low-carbon economy.





# Environmental, Social and Governance Report

## COMMUNITY INVESTMENT

### CORPORATE SOCIAL RESPONSIBILITY

The Group adhered to the concept and mission of philanthropy. In recent years, we have made unremitting efforts to practice corporate social responsibility by actively exploring various aspects such as cultural innovation and inheritance, integration of industry and education and public welfare projects continuously, as well as fitting in with the changing trends and policy directions, thereby successfully establishing a healthy and positive value orientation, which have been highly recognized by our employees and all walks of society. In March 2024, the Group received the “2024 Leading Brand in Public Welfare and Charity (2024 年度公益慈善領銜品牌)” award at the 6<sup>th</sup> 321 Easy Charity and Health Gala (第六屆 321 輕鬆籌公益健康盛典), recognizing the Group’s contributions to public welfare. This honor is a recognition and affirmation from public welfare organizations, media, industry peers, and others in the society for the Group’s active fulfillment of social responsibility.

Additionally, with its long-standing commitment to ESG and its engagement in various public welfare endeavors, the Group was awarded the “Industry Model Award for Corporate Social Responsibility (企業社會責任行業典範獎)” at the 13<sup>th</sup> Charity Festival (第十三屆公益節). As a well-known cultural and entertainment enterprise in China, the Group has elevated the fulfillment of corporate social responsibility into its corporate strategies. Over the years, the Group has conducted numerous public welfare projects nationwide, actively fulfilling social responsibilities, serving national interests, addressing social challenges, and achieving dual improvements in both economic and social benefits.

The Group formulated the Environmental and Social Responsibility Management Policy to standardize the effective performance of corporate social responsibility and realize the synergistic development of the enterprise and society. Each of the departments and various subsidiaries under the Group are required to proactively participate in community activities and charity events to fulfil their social responsibility, and regularly evaluate their performance of corporate social responsibility. The Group, on an irregular basis, makes donations to non-profit and charitable organizations in order to contribute to society, build a good public image and demonstrate its corporate citizenship. In 2024, the Group donated a total of approximately RMB0.6 million and its employees have participated in charitable activities for approximately 411 hours.

In addition, to insist on its corporate values and fulfil its social responsibility, the Group is committed to fostering outstanding professionals for the industry and constantly exploring new possibilities for the sustainable development of China’s game industry. Guided by the idea of “integration of industry and education”, the Group has established deep cooperative relationships with a number of tertiary education institutions, while committing to participating in school sponsorship and donation activities. We continue the passion without forgetting our core values and constantly transform our years of experience and methodology into knowledge output, thereby incessantly expanding the talent pool in China’s game industry.

## Environmental, Social and Governance Report

On 8 August 2024, the Group launched the third session of the “Dragon Walk for the Community”, the event has expanded its coverage to more sports clubs, appealing to all employees to participate in sports, and engage in the 30,000 km walking charitable activity. Our volunteers, in cooperation with the Beijing Century Charity Foundation, embarked on a meaningful Great Wall environmental protection trip, putting environmental protection concepts into practice. The Group also continuously held interesting parts and awards, such as “Dragon Walk Celebrity Show”. The continuous organization of “Dragon Walk for the Community” signifies that the Group considers philanthropy as a significant direction for employee activities, it also represents the commitment of all employees to love and public welfare, bringing a celebration of sports and charity to the Group’s employees, spreading positive social energy, and contributing to philanthropic endeavors.



In 2024, the Group launched the “Honghu Dream Charity Project” in the Honghe Hani and Yi Autonomous Prefecture of Yunnan Province, going to the mountainous areas of East Guizhou to provide caring assistance to students and families, providing teaching-related material support to schools, fulfilling our social responsibility through philanthropic endeavors and making contributions in the field of education assistance and teaching support. The Group’s charity team not only built the Archosaur Game Love Classroom at Chaoyang Primary School in Baohua Town, but also donated a batch of sports shoes and sports equipment to the students to support their comprehensive development in both academics and sports. After learning about the inconvenience of commuting for teachers and students, the charity team also donated a batch of street lamps to the school. These street lamps are powered by solar energy, achieving self-sufficient night lighting through the absorption of sunlight during the day. This not only reduces reliance on traditional electricity but also significantly lowers carbon emissions, creating a green and environmental friendly campus environment for Chaoyang Primary School. These solar street lamps not only illuminate the path for teachers and students but also light up their hopes and aspirations for a better future. This is not only a deep affection for the cause of education but also a contribution to the future of the planet from the Group.

## Environmental, Social and Governance Report



Before the International Children's Day in 2024, the charity team of the Group, in collaboration with the Beijing Vlove Charity Foundation, visited the Beijing Children's Welfare Institute to jointly organize the "Children's Action, Together in Action (童行动•同行)" charity event. This event aimed to bring holiday blessings to children with illnesses and celebrate Children's Day. The charity team and the children worked together to create sticker art and interact warmly through various colorful game activities. Through these actions, the team conveyed love and hope to the children, allowing them to feel the care and support of society, inspiring their dreams and confidence for the future, and accompanying them in their joyful growth.





## Environmental, Social and Governance Report

In addition, the Group partnered with Shanpin Commune to launch the “Dragon Charity Goods: Benefit Together (龍行善品•益起來)” Mid-Autumn gift box during the Mid-Autumn Festival, featuring three agricultural products: Honghe red rice, red rice noodles, and brown sugar. This initiative contributes to the prosperity of rural areas and the development of the agricultural industry in Honghe. By creating the Dragon Charity Goods, the Group is committed to use digital cultural creativity to activate industrial resources, driving the revitalization and upgrading of rural industries through innovative models, and promoting high-quality agricultural products to thousands of households.



The Group has made the public welfare action as the common undertaking and goal of all employees. All the employees have gathered their love into the great love of the Group, which brings warmth and hope to society. There will be more public welfare activities in the future, spreading the love of all the employees of the Group to more communities in need.

Bearing in mind the mission of corporate social responsibility, the Group has put social welfare into its strategic position and carried out social welfare in various forms and fields to promote the positive energy of the gaming industry.



# Environmental, Social and Governance Report

## CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

### Mandatory Disclosure Requirements

### Section/Declaration

Governance Structure

Sustainable Development Governance Structure

Reporting Principles

Reporting Framework

Reporting Boundary

Reporting Scope

### “Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

### Section/Declaration

#### Aspect A1: Emissions

General Disclosure

Information on:

GREEN OPERATION

(a) the policies; and

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

KPI A1.1

The types of emissions and respective emissions data.

Emission – Carbon Emissions – Exhaust Gas Emissions (not applicable – explained)

KPI A1.2

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

Emission – Carbon Emissions – GHG Emissions

KPI A1.3

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

Emission – Waste Management – Hazardous Waste (not applicable – explained)

KPI A1.4

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

Emission – Waste Management – Non-hazardous Waste

KPI A1.5

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

Environmental Targets, Emission – Carbon Emissions – GHG 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.

Environmental Targets, Emission – Waste Management



# Environmental, Social and Governance Report

## “Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

## Section/Declaration

### Aspect A2: Use of Resources

General Disclosure	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 – Water and Energy Management – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water and Energy Management – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water and Energy Management – Water Management
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.	Environmental Targets, Use of Resources – Water and Energy Management – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Water and Energy Management – Use of Packaging Materials (not applicable – explained)

### Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural 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.	The Environment and Natural Resources – Work Environment Management, Support in Green Financing

### Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Risk Management – 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 Risk Management – Climate Change



# Environmental, Social and Governance Report

## “Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

### Section/Declaration

### Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	HUMAN RESOURCE DEVELOPMENT
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	HUMAN RESOURCE DEVELOPMENT
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	HUMAN RESOURCE DEVELOPMENT

### Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYEES' 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.	EMPLOYEES' HEALTH AND SAFETY
KPI B2.2	Lost days due to work injury.	EMPLOYEES' HEALTH AND SAFETY
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYEES' HEALTH AND SAFETY

### Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	DEVELOPMENT AND TRAINING
KPI B3.2	The average training hours completed per employee by gender and employee category.	DEVELOPMENT AND TRAINING

# Environmental, Social and Governance Report

## “Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

## Section/Declaration

### Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	LABOUR STANDARDS
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

### Aspect B5: Supply Chain Management

General Disclosure	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, and 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

### Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	PRODUCT RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	PRODUCT RESPONSIBILITY



# Environmental, Social and Governance Report

## “Comply or Explain” Provisions Subject Areas, Aspects, General Disclosures and KPIs

### Section/Declaration

KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Communication with Players and Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	IP Protection
KPI B6.4	Description of quality assurance process and recall procedures.	PRODUCT RESPONSIBILITY
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Security and Privacy Protection

### Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	ANTI-CORRUPTION
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, and how they are implemented and monitored.	WHISTLEBLOWING MECHANISM
KPI B7.3	Description of anti-corruption training provided to directors and staff.	ANTI-CORRUPTION

### Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	CORPORATE SOCIAL RESPONSIBILITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	CORPORATE SOCIAL RESPONSIBILITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	CORPORATE SOCIAL RESPONSIBILITY





祖龙娱乐有限公司  
Archosaur Games Inc.