

CA CULTURAL TECHNOLOGY GROUP LIMITED
Environmental, Social and Governance Report 2023/24

CONTENT

ABOUT THIS REPORT 3

BOARD STATEMENT – ESG GOVERNANCE STRUCTURE 3

REPORTING SCOPE 3

REPORTING FRAMEWORK 4

APPROACH TO SUSTAINABILITY 4

STAKEHOLDER ENGAGEMENT 5

MATERIALITY ASSESSMENT 6

COMMENTS AND FEEDBACK 8

ENVIRONMENTAL ASPECTS 8

SOCIAL ASPECTS 15

ABOUT THIS REPORT

This report summarizes several subjects of CA Cultural Technology Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we**”) of business practices for the Environmental, Social and Governance (referred to as the “**ESG**”) report (referred to as the “**Report**”) and its relevant implemented policies and strategies in relation to the Group’s operational practices and environmental protection. For information regarding corporate governance, please refer to the “Corporate Governance Report” in the annual report 2024.

The Report covers the period from 1 April 2023 to 31 March 2024 (the “**Reporting Period**” or “**FY2024**”).

BOARD STATEMENT – ESG GOVERNANCE STRUCTURE

The Board understands its overall responsibility for overseeing and implementing the Group’s ESG strategy, and will integrate sustainable development into the Group’s specific business in accordance with the company’s business development. The Group has formed a top-down ESG structure in adhering to its sustainable development philosophy. The Board is responsible for overseeing the ESG issues of the Group, formulating ESG strategies and assessing and determining the risks associated with ESG, in order to ensure the effectiveness of risk management and internal control of the Group. The senior management is responsible for the job allocation based on the ESG strategies and reporting to the Board about the progress of ESG tasks and the Group’s annual report. The administration, human resources, internal control and board secretarial departments are responsible for performing ESG tasks, including collection of stakeholders’ opinions, performing internal and external materiality assessment, preparing the Report, and reporting to the senior management about the progress of ESG tasks and the preparation of the Report. The Board will also regularly check the implementation and changes of various ESG indicators, and optimize ESG targets when appropriate and feasible, so as to ensure that the Group’s corporate development will minimize the negative impact on the environment and society. Overall ESG performance is reviewed by the Board at least on an annual basis through the approval of this ESG Report. The Report has been approved by the Board of Directors (the “**Board**”) before publication.

REPORTING SCOPE

The scope of the Report covers the ESG performances of the Group’s principal operating activities spanning over the period from 1 April 2023 to 31 March 2024. Unless otherwise specified, the data, policy documents and statements mentioned in this Report cover business operated by the Group, namely the Group’s trading of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment business.

The reporting scope includes all areas of business over which the Group has financial significance and operational influence, as well as those of ESG significance to the Group and its stakeholders. The content of the report mainly focuses on the main business operation in Mainland China, Japan and Hong Kong, and overall performance of the fulfillment of sustainability and corporate social responsibility for the Reporting Period.

REPORTING FRAMEWORK

The Report has been prepared with reference to the ESG Reporting Guide set out in Appendix C2 to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the “**HKEX**”). To ensure the accuracy of environment key performance indicators (“**KPIs**”), we engaged a professional consultancy firm to conduct the calculation and preparation of the Report.

In preparation of this Report, The Group has complied with all “comply or explain” provisions set out in the ESG Reporting Guide and followed the four reporting principles – materiality, quantitative, balance and consistency, in the preparation of the Report.

Materiality

The Group reports on issues that are considered as posing significant impacts on environment and society and are important to stakeholders. The issues are presented together with the Group’s management measures in the Report.

Quantitative

Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for these KPIs is stated wherever appropriate.

Balance

Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of the Group’s overall ESG performance.

Consistency

Consistent methodologies are adopted when calculating the quantitative KPIs, unless otherwise specified. Reasons will be provided for any restating of information published in the Report.

APPROACH TO SUSTAINABILITY

Embracing the value of sustainability to evaluate the operations environment and identify room for improvement in operations, we have formulated a set of ESG-oriented policies to promote and manage material ESG issues, which include product responsibility, labor practices, anti-corruption and environmental protection. In the long run, we are committed to promoting the value of sustainability and integrate sustainable development principles in the Group and our business partners as a responsible corporate citizen. We identify and evaluate the materiality of the diverse range of ESG topics that are interrelated with our business operations (See corresponding section: Materiality Assessment) to form our future corporate direction.

STAKEHOLDER ENGAGEMENT

The Group believes that identifying and addressing stakeholders view lay a solid foundation to the long-term growth and success of the Group. The stakeholder engagement helps the Group to develop a business strategy that meets the stakeholders' needs and expectation, enhances the ability to identify risk and strengthens important relationships. Stakeholders can deliver their valuable opinions on ESG to us through various channels.

The below table presents key stakeholders of the Group and how the Group communicate with them through variety of communication channels.

Stakeholders	Communication Channels
Government and regulatory agencies	<ul style="list-style-type: none">• Annual reports, interim reports, ESG reports and other public information• Meetings
Shareholders and investors	<ul style="list-style-type: none">• Annual general meetings and other general meetings of shareholders• Company website• Announcements• Annual reports, interim reports, ESG reports and other public information
Employees	<ul style="list-style-type: none">• Training• Meetings• Performance evaluation• Leisure activities
Customers	<ul style="list-style-type: none">• Email and customer service hotline• Mobile application• Product and service feedback
Suppliers	<ul style="list-style-type: none">• Regular review• Meetings• On-site visits

The operations of the Group have impacts on various stakeholders, while stakeholders have different expectations of the Group. Looking forward, the Group will continuously strengthen its communications with its stakeholders, and extensively collect stakeholders' opinions on various ways that would lead to a more comprehensive materiality analysis. Meanwhile, the Group would also enhance the reporting principles in terms of quantitative, balance and consistency, and define the presentation of content and information of the Report in a way which better conforms to stakeholders' expectations.

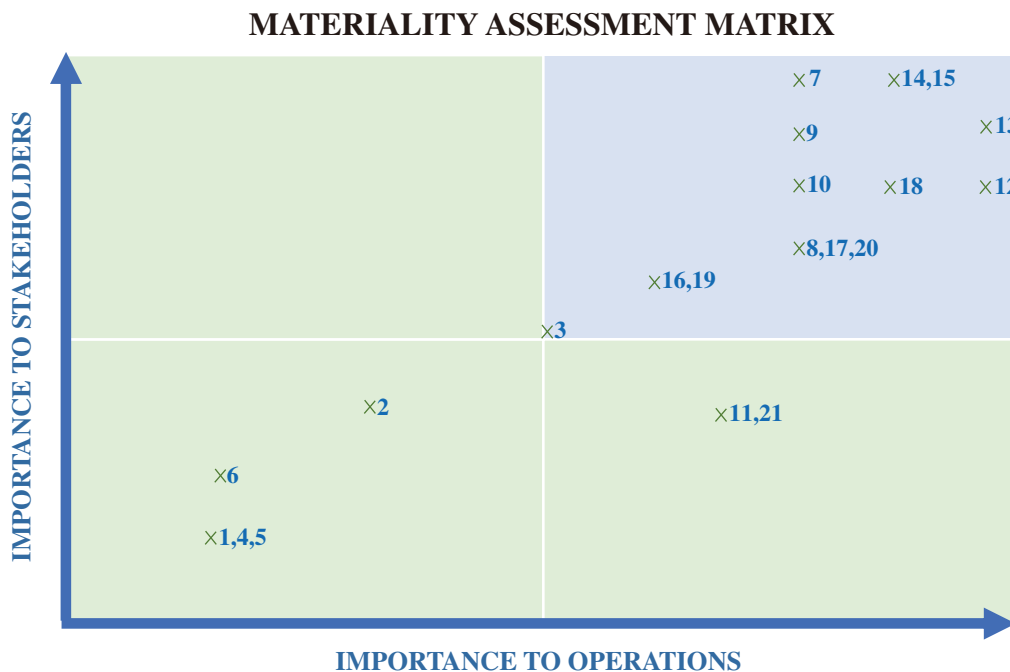
MATERIALITY ASSESSMENT

In the context of the latest sustainability landscape, the Group has determined the following 21 ESG materiality topics that are deemed to have impact on the environment and society through our operations.

ESG Aspects		ESG Materiality Topics for the Group
A. Environmental Responsibility	A1. Emissions and Wastes Generated	1. Emission Management (Air Pollutants and Greenhouse Gas)
	A2. Use of Resources	2. Wastes Management
	A3. The Environment and Natural Resources	3. Energy Saving
	A4. Climate Change	4. Water Consumption
B. Social Responsibility	B1. Employment	5. Effluent Discharges
		6. Climate Change Strategy
		7. Employee Remuneration and Benefits
		8. Diversity and Equal Opportunity
		9. Occupational Safety and Health
		10. Employee Training and Development
	B2. Workplace Health and Safety	11. Anti-child and Forced Labor
		12. Supply Chain Management
	B3. Development and Training	13. Customer Service Quality
		14. Product/Service Quality and Safety
	B4. Labor Standards	15. Personal Data Privacy Protection
		16. Product Research and Development
	B5. Supply Chain Management	17. Intellectual Property Rights Protection
		18. Data Security
B6. Product/Service Responsibility	19. Operational Safety Management	
	20. Anti-corruption	
B7. Anti-Corruption	21. Community Investment and Engagement	
B8. Community Investment		

We obtained an update of the materiality assessment on each aspect of ESG from internal stakeholders, including directors, senior management and middle management through questionnaires from the perspectives of long-term development strategies, management enhancement, urgency of investment and competitiveness advantages of the Group. We will also continually pay attention to all stakeholders, constantly review and update the materiality assessment, and include external stakeholders when the conditions are appropriate, so as to achieve a more accurate and thorough understanding of the demands of various parties, and to provide guidance and direction to the enterprise's business operations and controls over environmental and social governance.

Based on the analysis and summary of the results of the materiality assessment from all stakeholders, we have formed the following materiality assessment matrix, in which following substantial issues are disclosed in the materiality assessment matrix as the major influential aspects of the Group's sustainable development. While taking all environmental and social responsibilities into consideration, the Group will be paying more attention to these areas.



The chart shows high materiality ESG topics as follows:

- 13 Customer Service Quality
- 14, 15 Product/Service Quality and Safety, Personal Data Privacy Protection
- 12 Supply Chain Management
- 7 Employee Remuneration and Benefits
- 18 Data Security

To address topics that matter most to our stakeholders, more depth is detailed for topics of high materiality throughout the Report.

COMMENTS AND FEEDBACK

We make every effort to ensure consistency between the Chinese and English versions of this Report. However, in the event of any inconsistency, the English version shall prevail.

The progress of the Group depends in part on valuable comments from stakeholders. Should you have any opinions or suggestions regarding the content of this Report, you are welcome to share with the Group at acti@animatechina.com.

ENVIRONMENTAL ASPECTS

In order to seek long-term environmental sustainability, the Group is increasingly prudent in controlling the consumption of resources as well as its emissions, and has strictly adhered with the applicable environmental laws and regulations during its daily operations. The Group acknowledges the threats of climate change and realizes that we have responsibilities to better manage energy use to reduce greenhouse gas (GHG) emissions. Since the Group is principally engaged in the trading of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment, which does not involve direct emission of large amounts of polluted air, discharge of pollutants into water and land, and generation of hazardous waste. Due to the nature of the Group's business, the Group's daily operations mainly involve indirect GHG emissions, which are mainly due to the use of electricity, paper consumptions in our office setting and business air travel. The Group does not generate material hazardous wastes and the direct impact to the environment is immaterial.

We are committed to reducing impact on the environment. We strive to minimize environmental footprint through energy conservation and waste reduction. The following sections disclose the Group's approaches and data on energy consumption, GHG emissions data and waste.

Aspect A1: Emissions and Wastes Generated

Energy and GHG emissions: ⁽¹⁾

The Group strictly follows the low-carbon development goals of China's 14th Five-Year Plan, promotes corporate green transformation, and strives to realize the corporate vision of carbon neutrality. In view of this, we formulated and strictly implemented administrative policies that regulate emissions and discharge of exhaust gas, wastewater, waste solids and greenhouse gas generated in office areas. In addition, we have formulated the Environmental Protection Policy to provide clear guidelines on the daily environmental protection for our staff starting with the details such as management of use of electricity, water, paper and office supplies.

As a multimedia animation entertainment provider, we do not involve industrial production, and hence no hazardous wastes such as chemical wastes are produced in the course of operation. Our businesses do not involve packaging work of finished products and thus no material amount of packaging materials are consumed. During the Reporting Period, we fully complied with the laws and regulations in respect of emissions.

Although our operation does not have material adverse impacts on the environment and natural resources, we still pay great attention to possible impacts to the environment. We regularly assess impacts on the environment and natural resources, and formulate measures to mitigate any possible risks.

During the Reporting Period, the total GHG emissions were approximately 951 tonnes, representing an approximately decrease of 1,484 tonnes, compared with the figure in the last fiscal year (“FY2023”), mainly due to the closure of themes park in the MixC shopping mall Qingdao (“青島萬象城”). The density has decreased compared to FY2023.

The following charts summaries the GHG emissions of the Group during the Reporting Period:

GHG Emissions	Unit	FY2024	FY2023
Total	tonnes CO ₂ -equivalent	951.1	2,434.7*
	tCO ₂ e per million revenue in HKD	2.61	6.76*
Scope 1	tonnes CO ₂ -equivalent	5.1	5.2
	tCO ₂ e per million revenue in HKD	0.014	0.014*
Scope 2	tonnes CO ₂ -equivalent	868.1	2,392.9*
	tCO ₂ e per million revenue in HKD	2.38	6.64*
Scope 3	tonnes CO ₂ -equivalent	77.9	36.6
	tCO ₂ e per million revenue in HKD	0.21	0.10*

* The figures are restated for consistent comparison purpose.

⁽¹⁾Remarks:

- i. Scope 1 Direct emissions mainly from the use of Group-owned vehicles. Scope 2 Indirect emissions mainly from the consumption of purchased electricity during operation. Scope 3 refers to all other indirect emission that occurs in a company's value chain, mainly from business air travel.
- ii. The calculation of GHG data for this Reporting year is based on (but not limited to) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute and WBCSD, How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange, “Global Warming Potential Values” from the IPCC Sixth Assessment Report (AR6) in 2021 (CO₂: 1, CH₄: 29.8, N₂O: 273).
- iii. For Mainland China operations, GHG emissions of this Reporting year associated with purchased electricity are calculated using Notice on Carrying out Work in Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment in 2023.
- iv. For Hong Kong and Japan operations, GHG emissions associated with purchased electricity are based on latest available emission factors provided by power companies.

Measures to reduce emission

During the Reporting Period, the Scope 3 GHG emission were approximately 77.9 tonnes, representing an increase of 41.3 tonnes, compared with the figure in FY2023 due to end of epidemic and the number of trips increased compared to FY2023. In order to effectively reduce the emissions generated by the Group, the Group has adopted several measures for the management of employee travels, including but not limited to strict approval for long-distance travel arrangements to reduce unnecessary travel and encouraging employees to use public transportation. We have set short-term targets and expect to maintain or reduce emission based on FY 2024 through strengthening the measures to reduce the generation density of GHG emission.

Wastes Management

Owing to the Group's business nature, the Group in its ordinary course of business does not produce material hazardous wastes. The non-hazardous wastes mainly come from various types of recyclables wastes such as paper and non-recyclable daily wastes such as office supplies and plastics, generated from indoor theme parks and the offices of the Group. We encourage recycling of wastes. For non-recyclable items, we collect and sort them to be disposed of by recyclers with professional qualification on a regular basis.

During the Reporting Period, the operations of the Group do not require the use of the packaging material, therefore the relevant data is not recorded. The data of other non-hazardous wastes produced are as follows:

Summary of FY2023 and FY2024 Non-Hazardous Waste Data

	Unit	FY2024	FY2023
Non-hazardous Waste	kg	36,682	62,062
Generated – General waste	kg per million revenue in HKD	100.77	172.25*
Paper Consumption	kg	517	1,804
	kg per million revenue in HKD	1.42	5.01*

* The figures are restated for consistent comparison purpose.

Measures to reduce wastes generation

The Group actively promotes green office practices, aiming to minimize the generation of wastes and maximize the efficient use of resources. In terms of paper consumption, the Group promotes a paperless office, office papers were from recyclable sources. The Group focuses on purchasing supplies manufactured from recycled materials such as tissue papers. The Group also encourages its staff members to scale down font size and reduce paper margins and set up double-sided printing. We continue to improve the paperless office; start the OA electronic approval process; reduce the number of document printing; and recommend the circulation of electronic documents on a daily basis. We have set short-term targets and expect to maintain or reduce generation density of hazardous and non-hazardous wastes based on FY 2024 through strengthening the measures to reduce waste generation.

Aspect A2: Use of Resources

The Group understands that effective resource management is closely related to environmental protection and corporate sustainability goals. Due to the nature of offices' operations and business, the major resources consumed by the Group are electricity, water and paper. The Green Policy provides various energy-saving measures for office, including:

- Enabling the off-timer function of office equipment such as photocopiers, printers and computer monitors in its offices, allowing such equipment which have been idle for a longtime to automatically power down;
- Setting an appropriate office temperature; and
- When purchasing a new office equipment, preference will be given to those with Grade 1 energy label.

The Group incorporate environmental issues into its business plan systematically, including formulating more detailed corporate internal guidelines for environmental protection, as well as formulating sustainable development policies and road maps in the long term and proactively promoting a number of environmental protection campaigns.

Energy

As energy consumption is closely linked to global warming, the Group has been striving to improve energy management. Therefore, we have implemented electricity saving measures in the office to raise the awareness of all our employees on environmental protection. We encourage our staff to turn off all unnecessary lighting systems and other electronic devices, such as printers, computers, etc., to avoid idling of electrical appliances. Meanwhile, partial lightings of the office have been installed with light-emitting diodes instead of compact fluorescent lamps which can reduce electricity consumption as compared with compact fluorescent lamps. During the Reporting Period, the gasoline consumption were approximately 1,908.1 litres, representing a decrease of 287.1 litres, compared with the figure in FY2023. The electricity consumption intensity decreased compared to FY2023. We have set short-term targets and expect to maintain or reduce our energy consumption intensity based on FY 2024 through strengthening the measures to reduce energy consumption.

Energy consumption

	Unit	FY2024	FY2023
Electricity Consumption	kWh	1,628,628	2,697,941*
	kWh per million revenue in HKD	4,473.9	7,488.0*
Gasoline Consumption	Litre	1,908.1	2,195.2
	Litre per million revenue in HKD	5.24	6.09*

* The figures are restated for consistent comparison purpose.

Water

The major kind of wastewater generated by the Group is domestic sewage, which will be directly discharged to local drainage system. Meanwhile, the Group has put effort to reduce the water consumption, such as posting labels to remind and encourage employees to reduce water usage, and always turning off the faucet and reporting any water leakage. During the cleaning of office, the cleaning workers are strictly controlled for using of water and frequency of cleaning. As a result, the consumption of water is saved. We have set short-term targets and expect to maintain or reduce our water consumption intensity based on FY2024 through strengthening the measures to reduce water consumption.

	Unit	FY2024	FY2023
Water Consumption	m ³	2,538	2,813
	m ³ per million revenue in HKD	6.97	7.81*

* The figures are restated for consistent comparison purpose.

Aspect A3: The Environment and Natural Resources

The Group focuses on business impact on the environment and natural resources and pursues the best practice with the environmental protection. In addition to complying with relevant environmental laws and regulations and international standards to properly preserve the natural environment, the Group has integrated the concept of environmental protection and natural resources conservation into its internal management and daily operations with the aim of achieving environmental sustainability.

The Group is committed to providing a complete picture of environmental initiatives. We strive to build an eco-conscious culture that ingrains positive lifestyle and habits among employees. We encourage the use of public transportation. Our event management is also an avenue by which we seek to integrate sustainability principles. Events are usually held on-site and avoid the use of disposable utensils.

Aspect A4: Climate Change

As part of the community, we do not live aside of the impact of climate change. The Group manages the issue with respect to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which outlines four components: Governance, Strategy, Risk Management and Metrics and Targets.

Our governance is mainly driven by the Board, which oversees climate-related issues and risks and ensures that they are taken into account in business decisions. To better support the decision-making process, the Board will also seek professional advice from external experts where necessary.

With the help of external experts, we conducted an industry-level climate change risk review to identify the Group’s significant climate-related risks and develop a corresponding action plan:

Risk Category	Risk Description	Action Plan
Transition Risk	<ul style="list-style-type: none"> • Potential policy changes to reach net-zero targets • Shifts in consumer preferences 	<ul style="list-style-type: none"> • Keep an eye on policy changes • Regularly monitor internal climate disclosure-related activities to ensure that they comply with relevant regulations of the Stock Exchange and other relevant regulations, and reduce compliance risks • Actively respond and enhance brand image by providing environmentally friendly products and services
Physical Risk	<ul style="list-style-type: none"> • Frequent occurrence of extreme weather, such as typhoons, torrential rains, lightning and floods 	<ul style="list-style-type: none"> • Regularly inspect facility assets and establish contingency plans, including before, during, and after the event • Weather travel and return arrangements for employees

SOCIAL ASPECTS

Aspect B1: Employment

The Group considers employees as the most valuable wealth and resources and believes that they are propellant of corporate growth. Therefore, the Group is committed to providing an equal, harmonious and diversified working environment to employees in order to attract and retain suitable talents in the competitive labor market and for the purpose of maintaining its competitiveness in the industry.

Our employment management policies cover resources planning, performance evaluation, training, compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and anti-discrimination.

The Group firmly believes that its employees are the most valuable assets of an enterprise and one of the most important factors for the sustainable development and success of the Group. The Group strictly complies with all employment-related laws and regulations, including but not limited to the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》), the Law on the Protection of Rights and Interests of Women (《婦女權益保障法》), Provisions of the State Council on Working Hours of Workers and Staff (《國務院關於職工工作時間的規定》), the Law on the Protection of Disabled Persons (《殘疾人保障法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》).

The Group has adopted the Employee Handbook to regulate the workflow of recruiting, induction and training, employee transfers, dismissals and promotions. The Employee Handbook is aligned with the local labor laws of Mainland China and Hong Kong and includes key corporate policies. Newly recruited employees are provided with a softcopy of the Employee Handbook which they are required to review during on-boarding to familiarize themselves with the Group's operations and employment and labor practices. In the event of changes to local labor laws, the Group will update the Employee Handbook and issue the revised copy with all employees.

The Group attaches great importance to talent acquisition, and we recognize that the success of an enterprise is inseparable from its employees at all levels. In FY2024, we looked for passionate people through a variety of recruitment channels including internal referral, campus recruitment, social media recruitment, online recruitment, talent market and head hunters to strengthen our workforce. The Group aims to provide employees with a supportive workplace built with a culture of respect and dignity that enables employees to provide excellent service to customers.

During the year ended 31 March 2024, to the best of our directors' knowledge, the Group was not aware of any material non-compliance or breach of relevant laws and regulations regarding employment.

As at 31 March 2024, the Group had 492 employees. The data of the Group's number of employees and turnover by type in the Reporting Period are listed as below:

		FY2024
Total Workforce	Total	492
By Employment Type	Full time	207
	Part time	285
By Gender	Male	236
	Female	256
By Age Group	30 or below	311
	31–40	96
	41–50	44
	51–60	37
	Above 60	4
By Employee Category	Management	52
	General staff	440
By Geographical Regions	Mainland China	232
	Hong Kong	8
	Japan	252

Employee Turnover Rate: ⁽²⁾

		FY2024
Total	Overall number (Turnover rate)	239 (49%)
By Gender	Male (Turnover rate)	87 (37%)
	Female (Turnover rate)	152 (59%)
By Age Group	30 or below (Turnover rate)	218 (70%)
	31–40 (Turnover rate)	14 (15%)
	41–50 (Turnover rate)	6 (14%)
	51–60 (Turnover rate)	0 (0%)
	Above 60 (Turnover rate)	1 (25%)
By Geographical Regions	Mainland China (Turnover rate)	146 (63%)
	Hong Kong (Turnover rate)	3 (38%)
	Japan (Turnover rate)	90 (36%)

⁽²⁾Remark:

- i. Employee turnover rate is calculated by dividing the total number of employees who left in FY2024 by the total number of employees in the corresponding category as at the end of FY2024.

Employment and employee welfare:

Employees are one of the Group's most valued assets and the cornerstone of its corporate growth. We believe that employees should be respected and we commit to provide employees with an ideal working environment. The Group's "Employee Handbook" clearly stipulates policies on remuneration, recruitment and dismissal, promotion, working hours, rest periods, equal opportunities, and other rights and benefits.

Salary, benefits and retirement:

We offer our employees competitive remuneration based on their scope of work, job responsibilities and individual performance, and reward employee performance that contributes to the Group's success. In addition to basic salary, employees are entitled to benefits including social and medical insurance in Mainland China, medical insurance in Hong Kong, and family friendly policies such as marriage leave, maternity and paternity leave, compassionate leave and funeral leave.

The Group also offers overtime pay and all perquisites and allowances required by the government. Overtime requests are made in advance, and eligible requests are supported with benefits such as transportation allowance, compensated leave and overtime pay. The Group participates in retirement benefit schemes in Mainland China and Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees.

Equal opportunity and non-discrimination:

Equal opportunity and non-discrimination practices underscore the culture we seek to promote in our offices' spaces. The Group welcomes candidates from different backgrounds and adheres to the Codes of Conduct required by business partners by:

- Ensuring there is no discrimination directly or indirectly, in employment decisions, including hiring, promotion, dismissal, wages and access to benefits on ground of race, color, sex, language, religion, political or other opinion, age, national, social or ethnic origin, property, sexual orientation, birth health status, trade union membership, mental or physical disability, or other status must not be engaged in or supported;
- Guaranteeing that no employees are subjected to mandatory health tests that have no relevance to the job function; and
- Providing equal benefits and opportunities to vulnerable groups, such as migrant workers, which may be subject to less protection by national law as national workers.

Aspect B2: Workplace Health and Safety

Minimizing work-related accidents and providing a safe and secure working environment for all employees are of paramount importance to the Group. The safeguard for employees' health and safety is one of the most important parts of the Group's corporate control management. The Group is committed to formulating and implementing efficient safety and health rules that focus not only on accident prevention, but also on improving employee efficiency and morale, requiring all employees to follow workplace safety rules, use necessary safety equipment and report actual or potential safety hazards.

The Group strictly abides by the labor laws and regulations in Mainland China, Hong Kong and Japan, including but not limited to the Labor Law of the People's Republic of China, the Law of the PRC on Prevention and Treatment of Occupational Diseases《中華人民共和國職業病防治法》, the Fire Control Law of the PRC《中華人民共和國消防法》, the Occupational Safety and Health Ordinance《職業安全及健康條例》, the Employment Ordinance of Hong Kong《香港僱傭條例》, the Japan Labor Law《日本勞動法》 and other laws and regulations.

Our administration department regularly circulates updated information relating to health and safety practices, and places posters in common areas to remind our staff.

The Group takes occupational health and safety seriously and will not tolerate the flagrant disregard of safety protocols. Verbal warnings are issued in the event that an employee conducts unsafe working practices that pose a danger to themselves or others. For serious violations, disciplinary action may be taken.

During the Reporting Period, the Group have 24 lost days due to work injury with no serious work-related injuries. There was no record of work-related fatality in the past three reporting years.

Aspect B3: Development and Training

We firmly believe that fostering and retaining talent is a core part of ensuring corporate development and strengthening its competitiveness. As of 31 March 2024, the Group has a total of 492 employees (31 March 2023: 462 employees). The Group has provided various types of targeted training to its staff based on the actual needs of different departments and functions, and developed personalized training development programs for key positions, aiming to motivate employees to develop their potential. The Group has also encouraged staff to engage in external programs, such as online courses for continuous professional development and skill set enhancement.

We offer induction orientation and appropriate assistance for every newly-joined staff member. The induction orientation mainly introduces the Group, its corporate culture, rules and regulations and code of conduct, etc., which enables staff to fit into the corporate culture of the Group and further understand their working environment and responsibility. The Group is committed to establishing a platform for career development for its staff and to providing on-job internal training relating to professional skills, general management skills, career development and mentality. Also, staff are provided with the opportunity to attend business training organized by external training organizations. Based on its business development requirements, the Group will consider to cooperate with relevant training organizations or institutions engaged in providing training for certain management or technical personnel in key positions.

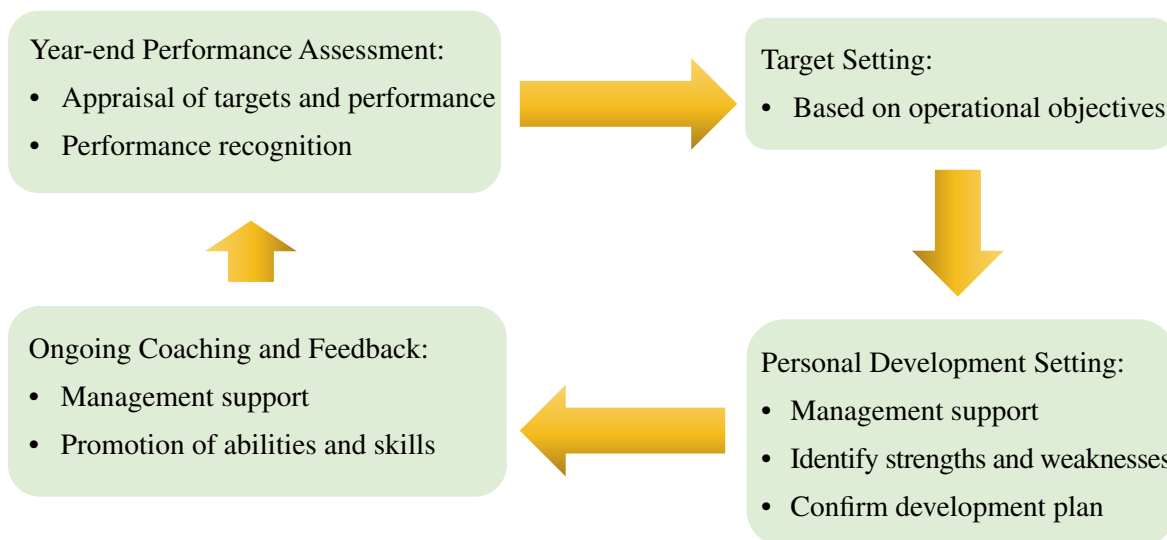
Training Hours Completed of Employees during the Reporting Period⁽³⁾

		Unit	Total	Average Training Hours Per Employee
Number of Training Hours		Hours	1,533	3.11
By Gender	Male	Hours	713	3.02
	Female	Hours	820	3.20
By Employee Category	Management	Hours	264	5.08
	General employees	Hours	1,269	2.88

⁽³⁾Remark:

- i. The average number of hours of training for employees is calculated by dividing the total number of hours of training in FY2024 by the number of employees in the corresponding category at the end of FY2024.

To incentivize our employees, reward excellence and enhance staff morale, a transparent and fair appraisal system is operated by our remuneration committee and the Group’s management. Carried out annually, the employee performance evaluation process provides the basis upon which the management can decide on promotion of staff and salary revisions. Performance management is a complete system as well as an ongoing process, which includes the following key phases:



Aspect B4: Labor Standards

We are in strict compliance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Employment Ordinance (Chapter 57, Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608, Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485, Laws of Hong Kong), Japan Labor Law and other internal policies to ensure compliance with the principles of openness, fairness and impartiality in terms of personnel recruitment, employment, training, and assessment.

Moreover, we prohibit any form of forced, bonded or compulsory labor, human trafficking and other kinds of slavery and servitude. Any form of discrimination, harassment or bullying is not tolerated. We extend our commitment to suppliers by requiring all business partners to take measures to avoid and eliminate any form of forced, bonded or compulsory labor, or human trafficking. The rights and freedoms of every individual is protected as no worker is asked to surrender identification documents nor lodge deposits as a condition of employment. Cases of child labor in our businesses are averted by conducting age verification of all job applicants.

The Group was not aware of any non-compliance with the Employment Ordinance, Employment of Children Regulations and other applicable laws and regulations relating to preventing child or forced labor on the Group during the Reporting Period.

No non-compliance with law that resulted in significant fines or sanctions had been reported during the Reporting Period.

Aspect B5: Supply Chain Management

We ensure that all our suppliers have fulfilled the required qualifications, for example ISO9001, Japan Bandai's certification, etc., so that our products can meet the relevant international standards.

In addition to the quality of the products provided by the suppliers, the Group will consider extending the procurement criteria to its environmental and social performance. During the year, the Group was not aware of any potential negative impact on business ethics, environmental protection, human rights and labor practices, nor any non-compliance incident caused by suppliers.

During the Reporting Period, the Group built collaborative relationships with 129 suppliers in total. The details of which were as follows:

Numbers of the suppliers by geographical region

Region	Unit	FY2024
Mainland China	number	121
Hong Kong	number	2
Japan	number	3
Korea	number	1
Europe	number	1
Australia	number	1

During the Reporting Period, the Group was not aware of any potential negative impacts on business ethics, environmental protection, human rights and labor practices, nor any non-compliance incident caused by suppliers.

Aspect B6: Product/Service Responsibility

Product Quality and Safety

We attach great importance to product quality and corporate credibility through strict product quality inspections. Our quality assurance measures include inspection at suppliers' production sites, and product quality random inspection. We undertake strict control of product quality in accordance with standards such as ISO9001. All our customer service operators are provided with training in handling complaints, standardizing attitude, methods of treatment and speech skills, etc.

We request our operators of large-scale equipment to receive pre-job assessment. Professional personnels are placed to conduct on-site management for all park facilities and equipment and to provide explanations to customers in regard to the facility and points to note. In addition, signs are put up at the entrances of facilities to demonstrate the points to note in accordance with the operational regulations. At the same time, we strictly implement equipment inspection, conduct daily testing and inspection on indicators of all facilities, handle abnormal situations on a timely basis and record the reasons therefore. If the reason for such abnormal situations cannot be identified, the operation of the facility will be halted to ensure customer safety. We have formulated a comprehensive emergency response plan to cope with emergency situation caused by power failure, earthquake and fire. Operators conduct drills under the emergencies response plan regularly and are examined by specialists to ensure that they are able to handle emergency. We participate in fire and safety drills in operating premises (leased commercial buildings or offices) regularly.

To ensure the supply of highest quality services to customers, the Group has set up feedback and complaints procedures for its customers. During the reporting year, the Group received and properly handled approximately 30 complaints in relation to products and services. None of which were substantial complaints from external parties or regulatory authorities. The Group values the opinions and feedbacks of each customer, and shall continue to improve the quality of services supplied by us in accordance to such feedbacks.

During the Reporting Period, the Group did not transgress against any laws and regulations in terms of health and safety to its services and products and did not receive any significant product recalls for safety and health reasons nor any significant complaints regarding product flaws.

Personal data privacy protection and data protection policies

The Group is committed to protect privacy and confidentiality of the collected personal data. The Group has established internal policies on handling personal data recorded from our employees, customers and other business partners. We collect data only in a lawful and fair way, for directly related purposes of which the data subject is clearly notified. Providing related personnel with information security training, the personal data inventory is secured to prevent any unauthorized or accidental access. We ensure the data is accurate and is not kept longer than necessary and the period is stipulated by respective laws. We utilize technology to aid the safeguarding of the personal data inventory, such as anti-virus software and firewalls, network diagnostic tools and data encryption. Mechanisms are also in place that ensure any infringement of personal data privacy protection rights are dealt within a timely manner.

During the Reporting Period, there was no material non-compliance or violation in intellectual property and privacy.

Ethical operating practices

The Group places great value in conducting all aspects of our businesses with integrity and honest values. From protecting intellectual property to ethical marketing communication, we ensure all management are compliant to legal standards and procedures, as well as prevent the infringement of other intellectual property rights. Our robust management approaches ensure even the most trivial aspects are not overlooked.

During the Reporting Period, the Group has encountered no incident of non-compliance with applicable laws and regulations related to intellectual property to ethical marketing communication at all operating regions.

Aspect B7: Anti-Corruption

To embrace business integrity for sustainable operations, the Group promotes fairness and integrity by deterring unethical business practices, including bribery, fraud, corruption, extortion and money laundering. The Group also provides induction training and regular updates to all new directors and employees. The training covers areas including but not limited to, anti-corruption laws and regulations and the company's requirements in relation thereto, as well as the code of ethics that all directors and employees must comply with. The code of ethics in the Employee Handbook emphasizes the importance of abiding by statutory laws and regulations to staff and also states clearly with the responsibility for violations. We will make our best effort to ensure employees understand the code of ethics and make it a part of daily business activities in order to create a positive corporate culture placing integrity and honesty on a high priority.

The Group strictly abides by the relevant laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Money Laundering Law (《反洗錢法》), the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Basic Standards for Internal Control of Enterprise (《企業內部控制基本規範》) and the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), Prevention of Bribery Ordinance and other laws and regulations.

To prevent fraud, the Group has set up the Anti-Fraud System (《反舞弊制度》), which aims to enhance the Group's internal control and corporate governance in this area. The Anti-Fraud System explicitly provides guidelines and regulations on professional conducts to the directors of the Group, senior and middle management employees as well as ordinary employees. With the Anti-Fraud System, the Group has created an honest and diligent atmosphere, which prevents behaviors that are prejudicial to the interests of the Group and its shareholders.

During the Reporting Period, the Group had not violated any laws or regulations in relation to corruption, bribery, extortion, fraud and money laundering, nor were there any legal cases regarding corrupt practices brought against the Group or its employees known to the Group.

Aspect B8: Community Investment

As the market places focus more on corporate behaviors and social responsibilities, the pursuit of maximizing financial returns to reward shareholders is no longer the only goal of corporate management. The Group pays close attention to its connections with the community where it operates and is well aware of the importance of living up to different stakeholders' expectations. The Group firmly believes that balancing the interests between shareholders and other stakeholders is the only way to achieve the long-term business development in a stable and healthy manner.

We will formulate the definite policies in relation to community investments, and shall incorporate such corporate social responsibilities and social care projects into the schedules of each department. The Group is studying the possibility of establishing a specialized committee to plan and promote such activities in relation to the sustainable development of communities based on its own prospect and objective in respect of the Group's sustainable future.