



Asia Pioneer Entertainment Holdings Limited

亞洲先鋒娛樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8400

TOTAL SOLUTIONS PROVIDER FOR
**ELECTRONIC GAMING
EQUIPMENT IN
MACAU AND ASIA**

2019

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT



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SCOPE AND REPORTING PERIOD

This is the third Environmental, Social, and Governance (the “ESG”) report by the Group, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 20 of the GEM Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

The Group is a total solutions provider of electronic gaming equipment (“EGEs”) for land-based casinos in the Macau Special Administrative Region (“Macau SAR”) as well as other regions in Asia. EGE principally includes electronic table games (“ETGs”) and electronic gaming machines (“EGMs” or “Slot Machines”). The Group’s business can be segmented into: (i) technical sales and distribution of EGEs to land-based casinos; (ii) the repair of EGEs and sale of spare parts; (iii) consultancy to suppliers or manufacturers of EGE products to the casino gaming supplier market; (iv) sales of refurbished EGMs; and (v) the lease sales and operating lease of EGEs.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in Macau SAR, including general office areas for general business operation, and workshop and warehouse areas for repairing and refurbishing services at Lei Cheung, and the warehouse in Veng Kin, from 1 January 2019 to 31 December 2019, unless otherwise stated. The warehouse in Veng Kin commenced operation in November 2019 and is newly included in the reporting scope.

THE GROUP’S SUSTAINABILITY MISSION AND VISION

Management Approach and Goals

The Group understands that ESG matters may threaten an organisation’s shareholder value, reputation, supply chain, or any other issues, which may affect sustainability; and business sustainability is critical to the long-term trust that the Group has built with the public. Hence, the Group has established a working group, consisting of representatives from various department, to deal with ESG-related issues during the Reporting Period. It is believed that the working group will ensure that appropriate and effective ESG risk management and internal control system are in place. It will also assist current risk management and internal control systems, which are designed to meet the Group’s specific business needs and to minimise its risk exposure.

The working group is determined to set ESG goals at the beginning of each year and reviews its progress in achieving the goals to check whether there are areas for improvement. In general, the working group had made significant progress in achieving targets set, though it acknowledges that there are rooms for improvement. The goals outlined for the Year and respective actions taken are as follows,



Following HKEx's rules and guidelines closely

- Material issues were identified in line with the provisions of the ESG guide
- Issues and matters regarded as important to stakeholders were disclosed publicly and transparently



Taking environmental advices from the Macau government

- Waste management suggestions by the government were listened to
- Recycling bins were set up in office areas, this contributed to the improved sense of environmental protection among employees



Establishing effective and open relationships with stakeholders

- Communication channels were set up for the Group to hear the voices of various stakeholders, including, investors, employees, customers, etc.



Creating an engaging working environment

- Efforts were put into making a comfortable, healthy, and nurturing office
- Internal celebratory activities were held for employees to bond



Improving communications with customers

- Products and internal procedures of the sales process were reviewed to cater to customers' needs
- Customers' feedback were listened and responded in a quicker manner to establish trust

ESG strategies

Apart from the above goals, the Group also has other ESG initiatives as it is aware of areas in which it can contribute more at. As the Group purchases and sells used EGMs, it regards itself to have contribution to the reduction of waste and wood consumption within the casino and gaming industry and is relatively non-environmental polluting compared to traditional factories or manufacturers. Having said that, it strives to follow DSPA (Direcção dos Serviços de Protecção Ambiental, environmental protection department of Macau SAR)'s policies closely whenever required to solve waste-related issues. The Group also encourages employees to adhere to the principles of reducing, reusing, and recycling for all resources. It has also made steps in recent years aiming at emission reduction, including, adopting resources conserving practices in offices, relocating offices for eliminating traffic between working spots, centralising products to be air delivered altogether, etc.

In terms of the social aspect, the Group has also been working with its stakeholders to deliver more sustainable outcomes and products that align with their expectations. For its employees, the Group has re-designed office layouts and co-working spaces to smoothen internal communication and foster a harmonic working area. The Group also encourages employees to bring in items to touch up their working spaces that may benefit their health and work productivity. In terms of its clients, the Group always gives its best endeavours to fulfil its responsibility of providing error-free ETGs and EGMs to help casinos avoid human error and enhance efficiency. With regard to its suppliers, the Group has successfully established an agreement with a shipping company that will assist in centralising orders destined at foreign countries and deliver them periodically to lessen emission that would have been otherwise created if delivered separately each.

Future Development

In the coming years, the Group still wishes to expand its services and promotes its low-waste alternative to new gaming machines to more clients. Since 2018, it has been selling refurbished machines to neighbouring Southeast Asian countries and has extended this service to offering repairs as well. The Group remains positive on the growth prospects of operating leases in both Macau SAR and the Southeast Asia Markets, and expansion of the consultancy services in the Southeast Asia markets. Whilst the Group expands, it will be mindful to take its environmental and social impact into account. The Group also believes that the widespread outbreak of the novel coronavirus disease 2019 (the "COVID-19") has an impact on the Group's overall sales and distribution business as the COVID-19 has caused the Macau government to temporarily suspend all casino operations in Macau SAR for two weeks in February 2020. Travel restrictions on end customers has also affected the businesses of its major customers of the Macau SAR casinos, which will affect the Group's business very likely. Nevertheless, the Group is hopeful that the impact will be short-lived and the business in Macau SAR will get back to normal by the second half of 2020.

Certifications and Corporate Memberships

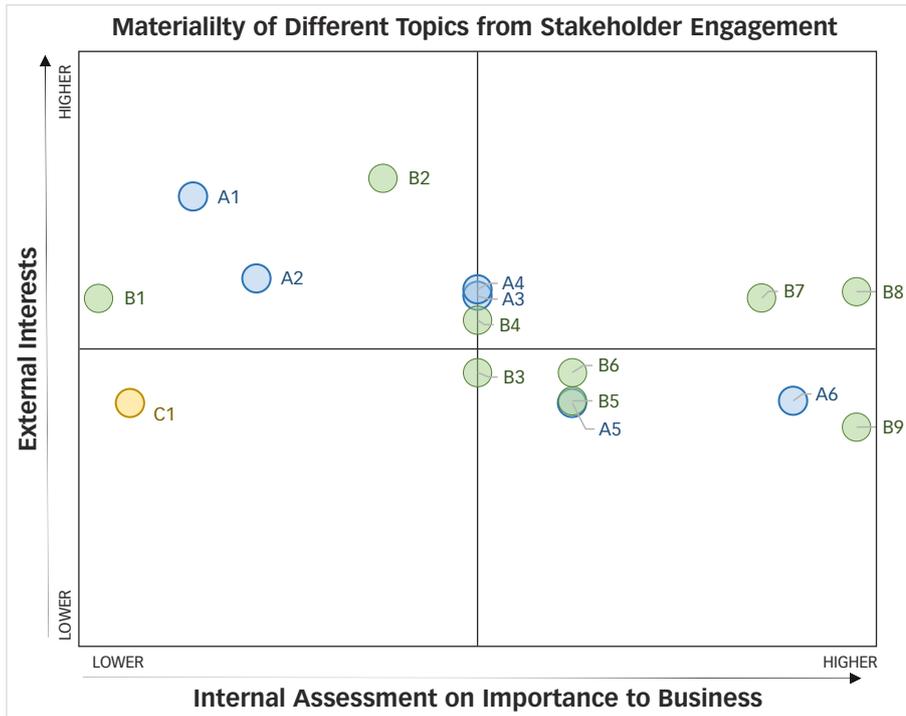
The Group has engaged with industrial partners, government agencies, customers, and other stakeholders to promote responsible gaming practices. The Group has received several certifications and membership as a recognition of its contribution to society and the safety and quality of its products:

- Construction Safety Card accredited by the Labour Affairs Bureau (DSAL)
- Gaming Inspection and Coordination Bureau (DICJ) License
- ISO 9001:2015 Quality Management Systems
- Member of Macau Gaming Equipment Manufacturers Association (MGEMA)

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group engages with key stakeholders such as board members, senior management, frontline workers, suppliers, and customers to understand their needs and concerns. The Group communicates with stakeholders via various communication channels such as by email, lunch meetings, regular meetings, and quarterly board meetings.

To identify the most significant ESG aspects, the Group engaged its stakeholders by conducting a systematic and formal stakeholder survey. A materiality assessment is then carried out as follow.



Environmental	Social	Others
A1 Energy	B1 Employment	C1 Responsible Gaming
A2 Water	B2 Health and Safety	
A3 Emissions	B3 Development and Training	
A4 Effluents and Waste	B4 Labour Standards	
A5 Other Raw Materials Consumption	B5 Supply Chain Management	
A6 Environmental Protection Policies	B6 Intellectual Property Rights	
	B7 Consumer Data Protection	
	B8 Anti-corruption	
	B9 Community Investment	

The matrix indicates that external stakeholders, such as the Group's employees, customers, and suppliers, had similar level of concern for most topics. On the other hand, some topics had been determined to be significantly more important than others from the Group's point of view. The five most material topics that the business shall focus on are as follows:

- Anti-corruption
- Community Investment
- Consumer Data Protection
- Environmental Protection Policies
- Intellectual Property Rights

As the above topics were all important in the view of the Group's management level, these aspects had mostly been addressed and respective measures and initiatives have been put in place. The Group will continue to invest in financial and non-financial resources to strengthen the management of above material topics. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders to share and exchange ideas for advancing the Group's ESG management.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on the ESG approach and performance by giving suggestions or sharing views via email at ir@apemacau.com.

A. ENVIRONMENTAL

The Group is committed to the long-term sustainability of the environment and the communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

As a non-manufacturing company, the Group's daily operation generate minor impacts on the natural environment. The Group does not produce wastewater, exhaust gas emissions and hazardous waste in daily operations. Indirect environmental impacts generated by the Group mainly included consumption of purchased electricity and use of resources to support daily operation.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

A1. Emissions

A1.1 Air Emissions

One passenger car and one private van were used for the daily business operation. Both were operated on petrol. Their combustion generated several air emissions ("non-GHG") include nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and respiratory suspended particles ("PM").

Mobile fuel source	Air emissions (non-GHG) from the vehicle		
	SO _x (kg)	NO _x (kg)	PM (kg)
Gasoline	0.07	2.35	0.23

Note: Emission factors for calculations on environmental parameters were made reference to Appendix 20 of the GEM Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

A1.2 Greenhouse Gas (GHG) Emissions

GHG emissions were generated directly from the consumption of mobile fuel (i.e. petrol for group-owned vehicles). Indirect GHG emissions were also generated from the consumption of purchased electricity, processing of freshwater and sewage, landfilling of waste papers, and business air travel.

During the Reporting Period, 136.28 tonnes of carbon dioxide equivalent (tCO_{2eq}) GHG (mainly carbon dioxide, methane and nitrous oxide) were emitted from the Group's operation. The overall intensity of the GHG emissions was 0.10 tCO_{2eq}/m², or 3.41 tCO_{2eq}/employee. See Table 1 for the contribution of GHG emissions across scopes and activities.

Table 1 Sources of Greenhouse Gas Emissions during the Reporting Period

Scope of GHG emissions	Emission sources	GHG Emission (in tCO _{2eq.})	Sub-total (in tCO _{2eq.})	Total GHG emission (in %)
Scope 1 Direct emissions	Combustion of fuel (petrol) in mobile sources	12.72	12.72	9%
Scope 2 Energy indirect emissions	Purchased electricity	89.98	89.98	66%
Scope 3 Other indirect emissions	Business air travel by employees	31.76	33.59	25%
	Paper waste disposed at landfills	1.6		
	Electricity used for processing fresh water and sewage by government departments/ third parties	0.22		
Total			136.28	100%

Note: Emission factors for calculations on environmental parameters were made reference to Appendix 20 of the GEM Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise. Emission factor for purchased electricity in Macau SAR was obtained from CEM Sustainability Report 2018.

A1.3 Hazardous Waste

The Group generated an approximate total of 15.31 tonnes of hazardous waste during the Reporting Period. The intensity was 11.52 kg/m², or 382.75 kg/employee. Waste was generated from partnered casinos as well as from the Group's own office and warehouse.

Table 2 Hazardous Waste Generation during the Reporting Period

Hazardous Waste Type	Annual disposal amount (kg)	Treatment of Waste
Batteries	30	Government recycling bins
Cleaning products	50	Landfilling
Computer hardware	200	Landfilling
Lighting waste	30	Landfilling
Used slot machines	15,000	Recycling major parts for second-hand machines project

A1.4 Non-hazardous Waste

The Group generated an approximate total of 1.15 tonnes of non-hazardous waste during the Reporting Period, of which the intensity was 0.87 kg/m² or 28.75 kg/employee. Waste was generated from partnered casinos or other factories.

Table 3 Non-hazardous Waste Generation during the Reporting Period

Non-hazardous Waste Type	Annual disposal amount (kg)	Treatment of Waste
Paper wrap	600	Re-use for packaging purposes
Metal, glass, and plastic waste	350	Incineration or landfilling
Card boxes	200	Re-use for packaging purposes

A1.5 Measures to Mitigate Emissions

To reduce emissions from vehicles, employees are encouraged to use public transport, such as when delivering documents to governmental department and local companies. When applicable, the Group encourages business partners to provide the e-invoice to reduce the usage of couriers.

For indirect emissions, the largest source of GHG emissions for the Group was due to purchased electricity, followed by employees' business air travel. Due to the business nature of the Group, frequent travels to domestic and overseas casinos are needed for providing services to clients. To reduce emissions related to business travel, the Group encourages to schedule regular meetings with business partners with conference calls when applicable.

A1.6 Wastes Handling and Reduction Initiatives

The Group reuses and recycles waste whenever possible, to achieve waste reduction and resource conservation. For hazardous materials such as heavy metals found in slot machines, such as monitors, computer, bill acceptor and printer, that are still functional, such components are carefully taken out by the Group's engineers, and used for second-hand machines project. During the Reporting Period, a total of 567 monitors were purchased from a Macau SAR casino operator for refurbishment at the Group's integrated workshop. A part of them was resold to an overseas buyer after refurbishment. By acting as an up-cycler, the Group is contributing to the promotion of overall waste reduction within the gambling industry, which brings mutual economic and environmental benefits to both the Group and the industry. The Group has also newly placed a recycling bin in the common areas of its office for waste batteries. After an accumulation of batteries have been gathered, they will be transferred to the respective government recycling bins. In the upcoming years, the Group is determined to introduce a recycling bin for disposing of used lamps to engage employees. It also has plans to join the electrical equipment recycling programme in the near future for treating its computer hardware.

Similarly, the Group has placed 3 recycling bins for the non-hazardous waste of paper, plastic, and cans in the common areas of its office. The Group will also extend the types of waste it collects to also glass bottles in the upcoming Reporting Year as its employees start picking up the habit of recycling. For paper especially, not only does the Group encourage employees to recycle paper, it also encourages employees to reduce usage and make full use of these paper if unavoidable to minimise the amount of paper consumed. Some of the schemes implemented by the Group to save paper include:

- promoting electronic communication to replace administrative paperwork, such as check in and out system;
- providing recycling boxes beside the photocopier, collecting used paper (blank on one side) for potential reuse;
- making double-sided printing the default setting and encourage such mode of printing using used paper for receiving facsimile;
- encouraging employees to reuse stationery, such as old envelopes and paper clips; and
- making use of electronic greeting cards (such as New Year cards, Christmas cards, etc.).

A2. Use of Resources

A2.1 Energy Consumption

During the Reporting Period, direct electricity consumption by the Group was 101,901 Kilowatt-hour (kWh). The total consumption of petrol was 4,708 liters, which totalled at 42,914 kWh after conversion. The total amount of energy consumed was therefore an equivalent of 144,815 kWh (electricity and petrol combined), with an intensity of 108.97 kWh/m², and 3620.39 kWh/employee.

A2.2 Water Consumption

The total water consumption for the Group was 351 m³, with an intensity of 0.26 m³/m² and 8.78 m³/employee. Water was sourced from municipal tap water. No issues on sourcing water were reported during the Reporting Period.

A2.3 Energy Use Efficiency Initiatives

To consume energy more efficiently, the Group has implemented certain policies within the office. It also continues to promote energy-saving behaviours among employees focusing on various aspects. Its measures are as follows:

- using energy-efficient appliances;
- using central air conditioning system, pre-sets it at 25°C, and turning it off when the outdoor temperature is lower than 23°C;
- adopting flexible dressing code during summer to minimise air-conditioning usage;

- utilising blinds and curtains to reduce heat absorption;
- arranging regular air-conditioning repair and maintenance to ensure efficient use;
- turning off shared lightings, such as those in the reception, corridors, lift hallways, when natural lighting is available, or during low occupancy periods;
- setting up computers to go into standby or sleeping mode when idle for too long;
- turning off unnecessary servers and computers (including monitors and CPUs) after office hours;
- encouraging staff to reduce lift usage by using stairs.

A2.4 Water Use Efficiency Initiatives

The Group continuously conserves water resources although the water usage is minimal or insignificant. Water-saving signages are placed next to each water tap in the washroom and pantry to remind staff to conserve water. The Group also makes use of its water remained in water bottles from its water refill stations to water flowers.

A2.5 Packaging Material

A total amount of 0.13 tonnes of packaging materials were purchased during the Reporting Period. Packing materials purchased included plastic wrap, bubble film and sealing tape. They were used along with carton and styrofoam remained from the previous Reporting Period to pack the Group's products. The employees often reuse packaging boxes for other packaging purposes. When the Group sends its clients gifts, it also chooses items that have minimal packaging or those that are wrapped with recyclable materials.

Table 4 Packaging Materials Purchased during the Reporting Period

Type of Packaging Material	Application of Packaging Material	Annual Consumption (kg)
Plastic Wrap	Machine Packing	76.6
Bubble Film	Machine Packing	40.0
Sealing Tape	Machine Packing	19.2

A3. The Environment and Natural Resources

A3.1 Significant Impacts of Activities on the Environment

The Group's business activities do not generate major impacts on the environment. The Group did not receive any complaints from the surrounding community regarding air pollution, odour, noise, or other environmental pollution incidents during the Reporting Period. The Group will continue to monitor its air emissions, solid waste generation, wastewater discharge, and noise level to ensure the minimal impacts on the surrounding environment and to create a healthy environment for its workers.

B. SOCIAL

1. Employment and labour practices

The Group stringently complies with laws and regulations concerning employment and labour practices, such as the Macau SAR Labour Relations Law. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

B1. Employment

B1.1 Employment Figures

As of 31 December 2019, the Group had a total number of 40. See Figures 1-5 for the detail composition of the Group's workforce.

Figure 1 Total Workforce by Employee Type

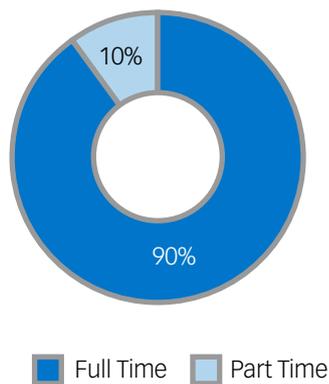


Figure 2 Total Workforce by Job Grade

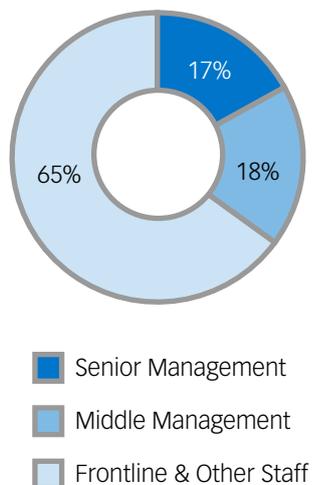


Figure 3 Total Workforce by Age

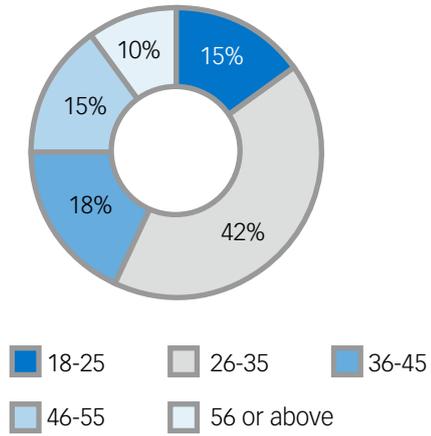


Figure 4 Total Workforce by Gender

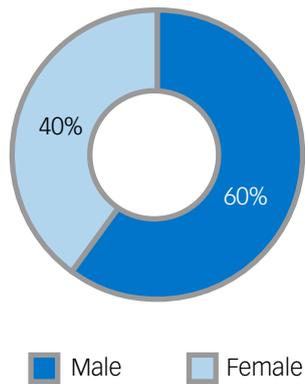
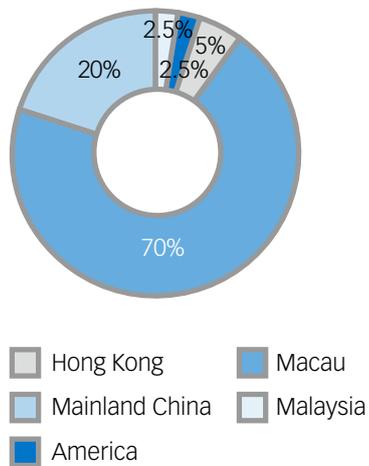


Figure 5 Total Workforce by Nationality



B1.2 Turnover Rate

A total of 5 employees left the Group during the Reporting Period, leading to a turnover rate of 12.5% for the Group. The Group has reduced the turnover rate by more than 25 percentage points as the Group has implemented several initiatives to retain staff during the Reporting Period, including:

- improving employees' benefits and welfare;
- encouraging effective communication with employees and facilitating opinion sharing between team leaders and members;
- establishing different channels for staff to raise comments;
- providing opportunities for career and skills development, and cultivating a sense of teamwork; and
- recognising the talent of employees and appointing them to work in their most suitable positions.

The Group will continue to review its remuneration policies to acknowledge their hard work.

B1.3 Employee Policies

The Employee's Handbook continues to serve as the guideline and working procedure to manage employment and labour-related practices.

In terms of employees' benefits and welfare, the Group ensures employees' benefits and welfare have been provided under applicable laws and regulations. Employees are entitled to paid annual leave, sick leave, marriage leave, maternity leave, paternity leave, injury leave, compensation leave, breastfeeding breaks, etc. on top of the Macau SAR government Public Holidays (Decree Law No. 60/2000 on Public Holidays), which exceeds the terms as required by the Labour Relations Law. Additionally, employees are entitled to medical and dental insurance such that their well-being are protected. For Blue Card employees who hold a working visa, accommodation allowance is also granted. For appraisal and promotion, a yearly employee performance evaluation is carried out, employees who have outperformed their responsibilities will be considered for a promotion or salary raise; for those who have not met their expectations, the Group will try to figure out the reason together with the respective employees and provide necessary training or guidance such that employees can improve. A fully functional remuneration committee that was formed at the end of 2017 also reviews and recommends remuneration-related matters to the directors and senior management.

The Group embraces communications with employees as it regards it to strengthen employees' sense of belonging, which in turn has a positive impact in their satisfaction of working in the Group in the long-term. The Group also believes that creating the right environment will help unleash employees' full potential. Hence, lunch meetings, team building activities, reunion dinners are arranged regularly for the Group to spend time with employees. When an appraisal is completed, the Group shares its comments with its employees and welcomes feedback from everyone who wishes for a change. To provide more opportunities for employees to reflect their views, there is also a suggestion box where employees are encouraged to make use of.

The Group does not have nor allow any forms of discrimination. Everyone is treated equally and respectfully. The Group also welcomes teammate to provide their suggestions freely. All employees are entitled to the same opportunities, benefits, and treatment being offered, regardless of his/her gender, nationality, marital status, disability and religious belief, etc.

B2. Employee Health and Safety

The Group regards providing a safe working environment for employees as of paramount importance. Fire service installations, such as emergency lights, fire extinguishers, fire hose reel, sprinkler systems, exit signages, etc. are all equipped in the Group's workplaces. Employees are familiar with fire safety and evacuation plans of the office building in case of any emergencies. To allow the treatment for minor injuries, first aid boxes are readily available at accessible locations.

In addition, the Group cleans the workplace on a daily basis and changes the filters of air conditioners on a regular basis to achieve a healthy indoor environment for the employees. The Group also welcomes desk planting to enhance employees' mood and efficiency.

During the Reporting Period, no work-related fatality or injury cases, nor non-compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, had been identified.

The Group is planning on adopting the "5S" management concept, which are, sorting, setting in order, shining, standardising, and sustaining, in the upcoming Reporting Period. This will contribute to a better housekeeping practice, thus, better working environment for employees. It is expected that it will keep the workplace in better order and ease employees in improving work efficiency.

B3. Development and Training

The Group provides comprehensive career development and training to employees. All technical department employees of the Group are arranged for taking the Safety Card Course offered by the Macau SAR government. Training needs were identified according to the training needs assessment, such as question papers, employee performance evaluations. Correspondingly, the Group arranges professional and high-quality training for employees to satisfy training and development needs, to assist employees to prepare for various challenges during any business changes.

The Group also provides briefings to all Directors to develop and refresh their duties and responsibilities. All Directors also encouraged to attend relevant training courses at the Group's expense with proof of training records.

The Group will consider establishing a formal Training and Development policy in the future to outline training plans.

B4. Labour Standards

The Group strictly follows the Labour Law of the Macau SAR government. The Human Resources Department has a comprehensive background checking system during the recruitment process, as newly engaged employees are required to provide an identification document or Passport upon enrolment in the Group. If a violation against the law is discovered, immediate action in terminating the enrolment will be taken.

There were no major risks associated with incidents of child labour, forced or compulsory labour within the Group. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour had been identified during the Reporting Period.

2. Operating Practices**B5. Supply Chain Management**

The Group has a well-established Policy Manual to detail the policies and procedures on purchases and payments, which aims to improve the transparency in decision making on all purchases and transactions. Before adding new suppliers, assessment is strictly carried out, internal evaluation forms such as Sample Request and Evaluation Report should be filled out. If new brand or machine is introduced, the Group will check if relevant supplier is listed on the Lists of Approved Manufacturers and Suppliers of Gaming Machines issued by the Gaming Inspection and Coordination Bureau. For engaged suppliers, the annual performance evaluation is performed to ensure the quality of goods and services provided are maintained at acceptable level. During the Reporting Period, the Group had also been able to establish agreements with its suppliers which require them to provide invoices and approval on documents in electronic formats after back-and-forth discussion. This is an indicator of the Group's efforts in managing its suppliers in environmental terms. In the future, the Group wishes that it will be able to have a larger influence on its suppliers' ESG decisions.

Table 5 Number of Machines Parts Suppliers by Region

Region	Number of supplier(s)	Type supplies
Slovenia	1	new slot machines, slot machine parts
Australia	1	new slot machines, slot machine parts
Taiwan	3	new slot machines, slot machine parts
America	7	printers, slot machine parts
China	2	slot machine parts
Macau SAR	4	used slot machines, service, slot machine parts

B6. Product Responsibility

B6.1 Product Labelling, Health and Safety, and Advertising

Due to the business nature, product labelling, health and safety, and advertising issues are not applicable to the Group. Nevertheless, the Group has engaged with its industrial partners, government agencies, customers, and other stakeholders to continuously promote responsible gaming practices. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labeling and privacy matters relating to products and services provided had been identified during the Reporting Period.

B6.2 Quality Assurance

The Group ensures Quality Assurance and Quality Control procedures are conducted for installation of machines. The Group has manuals and Standard Operating Procedures which the staff shall make reference to during daily operations. Experienced supervisor(s) need to monitor all working procedures onsite. Testing machines are also provided for staff for learning and practicing. These ensure that all machines are standardised and have the same performance. All products of the Group are then tested by internationally qualified laboratories on hardware and software safety, in accordance with the approved standards of local governors in respective markets. The mathematics of the machines are also tested to ensure all games and combinations are random and fair to end users. As an EGEs distributor and service provider, there is no product recalls or service complaints due to health and safety reasons.

B6.3 Data Protection

The Group respects personal data and is committed to compliance with the data protection principles and all relevant provisions of the Hong Kong Personal Data (Privacy) Ordinance and Personal Data Protection Act (Macau SAR) and other applicable laws in regions where the Group operates.

The Group's IT General Control Policies and Procedures set out the data classification and corresponding protection measure to be taken. Three levels of data have been defined: 1) public, where data is generally open to the public; 2) internal, where data is "official use only"; and 3) restricted, where data is protected by regulations, company policies, and financial reports. All customer data are kept under the department's control at all times.

The Group's dedicated IT department monitors the hardware and software to ensure the stability of the network and run smoothly. Personal Computer Security is strictly monitored, for example, individual users shall not install any hardware on their PCs. It is a violation of security procedures to add or modify hardware such as RAM, processors, coprocessors, I/O boards or peripheral equipment without authorisation of management. The Group has not received any complaints regarding breaches of customer privacy.

B6.4 Intellectual Property

The Group Protects the Intellectual Property (IP) of itself and its business partners. The Group's registered business name (APE) is a registered trademark (IP no. N/117032, N/117033 and N/117034 in Macau, no. 303931281 in Hong Kong). Any use of the Group's IP information, be it belonging to the Group or its business partners, are to be reported and approved first.

B7. Anti-corruption

The Group has formulated a formal Anti-Bribery and Anti-Corruption Policy to maintain the Group as an ethical business. The policy sets out the responsibilities of those who work for the Group regarding observing and upholding zero-tolerance position on bribery and corruption. Any act of corruptive practices is to be condemned against strongly. The policy is applicable to all applicable stakeholders, including but not limited to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with the Group. The Group makes sure its employees are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country the Group operates. The policy clearly states items that employees are entitled to receiving and those that shall be refused, especially in the four common areas of, gifts and hospitality, facilitation payments, political contributions, and charitable contributions. It is also the Group's stance that gifts or offerings received by employees shall be disclosed to the compliance manager to avoid any misunderstandings, and gifts sent from suppliers shall always be disclosed. For payments made by the Group to other parties, whether they are charitable contributions, gifts, or any other forms of offering, they shall be legal and ethical, and follow local laws and commonly accepted practices. The Group monitors such payments and procedures by reviewing and controlling the value approved, obtaining relevant justifications, and cross-checking such information, to eliminate any chance of controversies raised.

The Group has a whistle-blowing system that allows employees to make a complaint if they are aware of any malpractice. The whistle-blowers should make their complaint to the line manager, the compliance manager, the director. The Group ensures that no one suffers any detrimental treatment, or is negatively impacted in any way, as a result of refusing an offer to accept or carry out a bribe or other corrupt activities, or reporting a concern relating to potential act(s) of bribery or corruption.

The Group has not aided, abetted, assisted or colluded with an individual who has committed, or conspired to commit any unlawful activities. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

B8. Community Investment

The Group strives to carry out corporate social responsibility and actively participates in public welfare activities if capacity allows.

The Group has actively sponsored and provided internship programmes to local students, responded the battle on environmental protection from Macau SAR government, encouraged staff to join charitable and environmentally-friendly activities (such as purchasing moon cakes from NGO and supporting the government's recycling projects), and supported the developmental activities of various sports and the industry. During the Reporting Period, the Group has also contributed similarly having inputted over HKD 275,600, focusing in supporting charities, providing educational opportunities, promoting industrial development, and sponsoring sporting events, see Table 6. It will consider formulating formal policies on community engagement in the near future.

Table 6 Community Investment made by the Group during the Reporting Period

Area of Contribution	Beneficiary of Contribution/ Investment in Community	Contribution
Industry Development	Business Awards of Macau SAR	Sponsorship of MOP 46,530
	G2E Asia Awards	Sponsorship in the form of dinner tickets x 12pax — MOP 23,756
	IAG's Power 50 Gala Dinner	Sponsorship for 1 Dinner table — MOP 19,455
	Internship Program for a student from the University of Macau SAR, Faculty of Business Administration	Paid Internship job of MOP 9,360 for 1 student to complete their academic credits
	Jumbo (G2E) Gala Dinner	Sponsorship of MOP 61,800
	Macau SAR Business' 15th Anniversary	Sponsorship of MOP 8,100
	MGS's 2019 Gala Dinner	Sponsorship of 3 Dinner tables — MOP 10,300
	The Professional Civil Servants Association of Macao's 30th Anniversary Commemorative Book	Sponsorship of MOP 3,000
Sporting Events	Associação dos Veteranos de Futebol de Macau SAR's Commemorative Book	Sponsorship of MOP 9,000
	Lusitania Hockey Team	Sponsorship and donation of USD 11,174 for the team to participate in "2019 Taiwan Nantou International Men's Hockey Tournament Match"
Charities	Walks for Millions by the Charity Fund from the Readers of Macao Daily News	Donation of MOP 3,000
Environmental Awareness	Earth Hour 2019 by the World Wide Fund for Nature (WWF)	Support in the event and switched off unnecessary power on the night of 28th March