



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



ELECTRONIC GAMING
EQUIPMENT AND SMART
VENDING SOLUTIONS IN
MACAU AND ASIA



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

2020

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SCOPE AND REPORTING PERIOD

This is the fourth 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 2020 to 31 December 2020, unless otherwise stated. In this Reporting Period, the Group has conducted market research and made the decision to pursue a new product line — Smart Vending Machines.

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, and any other issues that may affect sustainability; and business sustainability is critical to the long-term trust that the Group has built with the public. The ESG working group, consisting of representatives from various departments, continued to deal with ESG-related issues during the Reporting Period. The ESG working group is responsible for discussing the Group’s ESG issues and ensuring that appropriate and effective ESG risk management and internal control systems are in place. It also assists 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. Additionally, through analysing the situation of the Group, the working group will suggest new ideas and bring attention to issues, as well as offering solutions that can be applied in the Group. In general, the working group had made significant progress in achieving targets set, though it acknowledges that there are rooms for improvement. The Group continues to assess the strength and weaknesses to improve the overall efficiency. The goals outlined for the Year and respective actions taken are as follows:

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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 Risks and Strategies

The Group holds commitment to the long-term sustainability of the environment and the community surrounding its operation. It recognises ESG risks, including proper environmental practices. It ensures to comply with laws and regulations of environmental protection, as well as adopting measures to achieve a more efficient use of resources, increased energy conservation, and waste reduction. Apart from the above goals, the Group also has other ESG initiatives as it is aware of areas in which it can contribute more towards. As the Group purchases and sells used EGMs, it regards itself to play a role in the reduction of waste and wood consumption within the casino and gaming industry. Hence, it 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, with particular attention in energy and resource-saving production methods, waste separation, and waste avoidance. This can allow for the creation of a recoverable substance cycle, thereby enforcing sustainability. It has also taken steps in recent years aiming at emission reduction, such as, adopting resource-conserving practices in offices, relocating offices for eliminating traffic between working spots, centralising products to be air delivered altogether, etc..

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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. It recognises social risks, such as safe working conditions, respect for human rights, enforcement of anti-bribery and corruption practices, and compliance with relevant labour laws and regulations. The Group believes that qualified and motivated managers and employees are essential to the long-term success of the company. The business culture of the Group places emphasis on employee benefits and voluntary services that are tailored to employees' interests and needs. As well, the Group encourages internal communication and peer review for managers and employees to further understand the needs of one another. 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. Regarding its suppliers, the Group has successfully established an agreement with a shipping company that will assist in centralising orders destined at foreign countries and performing periodic combined deliveries to lessen emissions that would have been otherwise created if items were delivered separately. Also, the Group regularly participates in charitable activities in the society and creates internship opportunities for university students to participate in.

Overall, the Group is committed to managing all risks through making assessment with equity management firms and consulting professional parties for advice on special engagements. Additionally, quarterly board meetings will be held to review the current policies and offer criticism and comments to improve and update company operations.

Future Development

In the coming years, the Group still wishes to expand its services and promote its new low-waste alternatives of 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 widespread outbreak of the novel coronavirus disease 2019 (the "COVID-19") has had a negative impact on the Group's overall sales and distribution business as the Macau government had to temporarily suspend all casino operations in Macau SAR for two weeks in February of 2020.

In addition, the Group has decided to enter the market of Smart Vending in Macau SAR. Through the thorough conduction of market research and analysis, it believes that Smart Vending Machines will be a core competency that can contribute to the overall success of the Group. Market research reveals that this is an underserved industry in Macau SAR and will thrive in a post-COVID-19 market that allows for tourists and residents. The Group has currently ordered 15 Smart Vending Machines for testing and signed agreements with product suppliers and high-traffic locations. The Group plans to launch this product in the first half of 2021, followed by a more robust roll-out.

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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)
- SCMP — “APE — Growth Champion of GBA 2020”

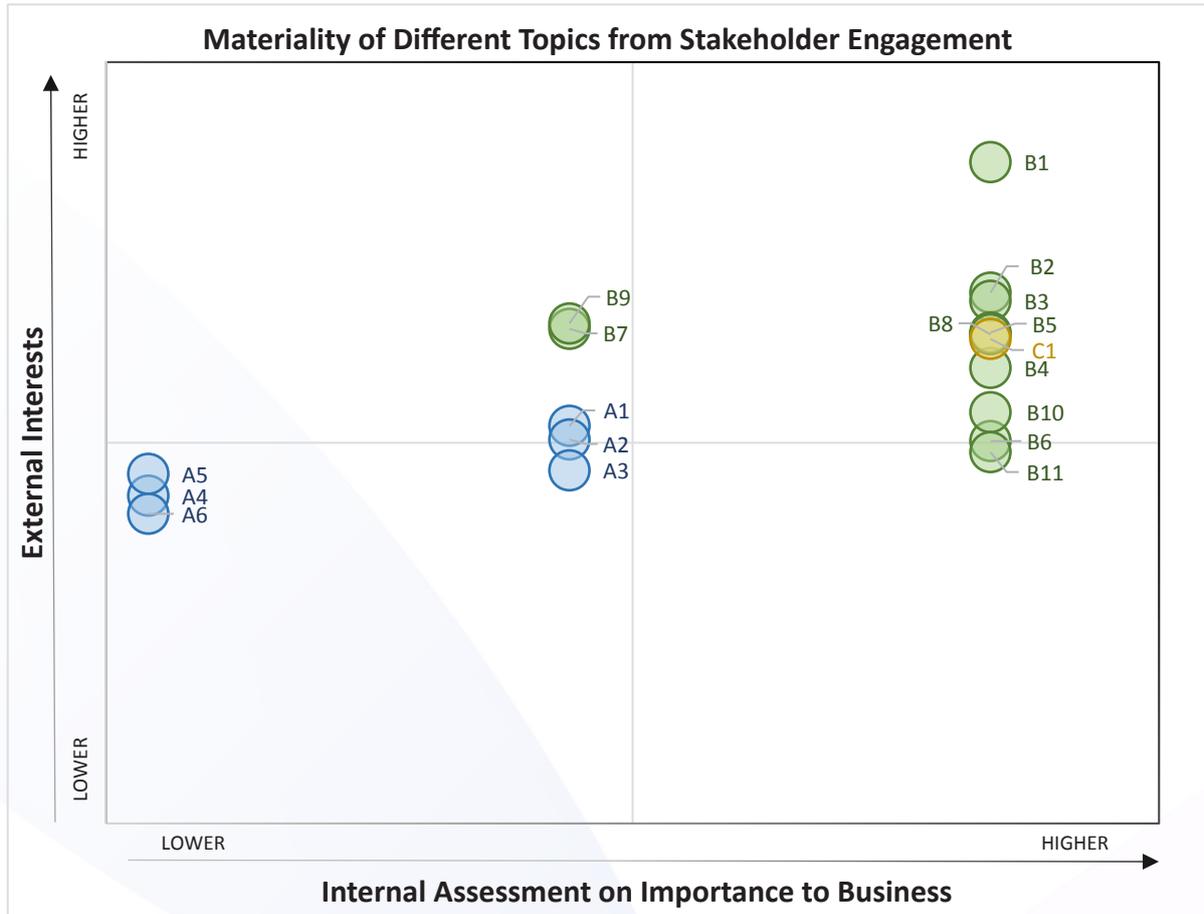
STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group engages with key stakeholders such as employees, customers, suppliers, shareholders, directors, NGOs, local communities, trade unions, and other civil organisations in society to understand the various needs and concerns of different parties. The Group communicates with stakeholders via various communication channels such as by quarterly group meetings, email, and regular meetings. Additionally, the Group utilises formal stakeholder surveys to identify the most significant ESG aspects, which is followed by a materiality assessment.

Key topics and concerns that were discussed through engagement include energy, water, and material usage; employment and occupational health and safety; development and training of staff; labour standards; intellectual property and customer privacy; and anti-corruption.

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Materiality Matrix



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	

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The matrix indicates that external stakeholders, such as the Group's employees, customers, and suppliers, had similar level of concern for most topics. 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:

- Employment
- Occupational Health and Safety
- Development and Training
- Supply Chain Management
- Customer Service

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.

Additionally, asset owners and other stakeholders have become increasingly concerned with the assessment of ESG risks conducted by asset managers like private equity firms, as they affect buy-out/acquisition decisions. Hence, these risks are being managed to protect the value and allow for revenue-generating opportunities in the holding period. The Group has become aware of these risks through stakeholder engagement, analysis conducted by the task force, and board discussion of analysis with 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.

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A. ENVIRONMENTAL

The Group is dedicated to striving towards long-term sustainability of the environment and the surrounding community in which it is located. To behave in an environmentally friendly and responsible manner, the Group ensures to comply with laws and regulations of environmental protection and enforces effective measures that grant success in energy conservation, waste reduction, and the efficient use of resources. Additionally, the Group responds positively to Government policies, such as the Environmental policy to restrict the provision of plastic bags.

As a non-manufacturing company, the Group's daily operation generate minor impacts on the natural environment. The Group does not produce wastewater and exhaust gas emissions, as well as generating minimal amounts of 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 has been identified during the Reporting Period.

A1. Emissions

A1.1 Air Emissions

One passenger car and one private van were used for the Group's daily business operations, with both vehicles running on petrol. During the Reporting Period, the Group generated 0.52 kg of nitrogen oxides ("NO_x"), 0.05 kg of sulphur oxides ("SO_x"), and 0.07 kg of respiratory suspended particles ("RSP").

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 wastepaper disposal. No business air travels were conducted due to the travel restrictions from the COVID-19 pandemic.

During the Reporting Period, 76.57 tonnes of carbon dioxide equivalent (tCO₂eq) GHG (mainly carbon dioxide, methane and nitrous oxide) were emitted from the Group's operations. The overall intensity of the GHG emissions was 0.06 tCO₂eq/m², or 1.91 tCO₂eq/employee. See Table 1 for the contribution of GHG emissions across scopes and activities.

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Table 1 Sources of Greenhouse Gas Emissions during the Reporting Period

Scope of GHG emissions	Emission sources	GHG Emission (in tCO ₂ eq)	Sub-total (in tCO ₂ eq)	Total GHG emission (in %)
Scope 1 Direct emissions	Combustion of fuel (petrol) in mobile sources	8.82	8.82	11.5%
Scope 2 Energy indirect emissions	Purchased electricity	67.20	67.20	87.8%
Scope 3 Other indirect emissions	Paper waste disposed at landfills	0.48	0.55	0.7%
	Electricity used for processing fresh water and sewage by government departments/ third parties	0.07		
Total			76.57	100%

Note: Emission factors for calculations on environmental parameters were made with 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 2019.

A1.3 Hazardous Waste

The Group generated an approximate total of 0.31 tonnes of hazardous waste during the Reporting Period. The intensity was 0.23 kg/m², or 7.75 kg/employee. Waste was generated from partnered casinos as well as from the Group's own office from regular operations.

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

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A1.4 Non-hazardous Waste

The Group generated an approximate total of 0.85 tonnes of non-hazardous waste during the Reporting Period, of which the intensity was 0.64 kg/m², or 21.25 kg/employee. Waste was generated from office consumption, packaging materials from suppliers and 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	500	Re-use for packaging purposes
Metal, glass, and plastic waste	250	Incineration or landfilling
Cardboard boxes	100	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 during the delivery of documents to governmental departments and local companies. When applicable, the Group encourages business partners to provide the e-invoice to reduce the usage of couriers.

A1.6 Wastes Handling and Reduction Initiatives

The Group reuses and recycles materials whenever possible to achieve higher levels of waste reduction and resource conservation. Some hazardous materials, such as heavy metals found in slot machines, monitors, computers, bill acceptors and printers that are still functional, they are carefully taken out by the Group's engineers and used for second-hand machines. For second-hand machines that were processed two years prior, parts have successfully been reinstalled in appropriate machines based on market needs. The Group considers itself an up-cycler by contributing to the promotion of overall waste reduction within the gambling industry, which ultimately brings mutual economic and environmental benefits to both the Group and the industry.

In the office, the Group has introduced a variety of strategies to strive for a more environmentally friendly workspace. The Group has placed many different recycling bins in the common areas of its office for six types of materials: paper, plastic, cans, batteries, used lamps, and glass bottles. After an accumulation of batteries have been gathered, they will be transferred to the respective government recycling bins. The Group has been continuously following the Government's new policy to relieve the pressure on landfills by reducing waste. Besides, the Group encourages its employees to bring their own reusable cups and bottles to drink water in response to the Government's suggestions.

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In particular, the Group pays special attention to the reduction of paper usage. During the Reporting Period, the Group has introduced a new OA system where documents are uploaded and shared without the need for printing physical copies. As well, externally, the Group also utilises online platforms like the company website, magazine, or newsletter to share industrial news, rather than their physical alternatives. In addition, the following are some strategies implemented by the Group to reduce the use of paper:

- reusing envelopes and boxes for mailing items
- collecting used paper and sending them to reliable recyclers
- adjusting printers to double-sided settings to save paper
- using recycled paper for photocopying
- showing customers electronic editions of brochures and product presentations in replacement of paper
- sending electronic greeting cards to clients
- implementation of many recycling bins in the office for paper and other materials, which will later be brought to government-owned recycling bins.

A2. Use of Resources

A2.1 Energy Consumption

During the Reporting Period, electricity consumption by the Group was 84,952 Kilowatt-hour (kWh). The total consumption of petrol was 3,309 litres, which totalled at 30,161 kWh after conversion. The total amount of energy consumed was therefore an equivalent of 115,113 kWh (electricity and petrol combined), with an intensity of 86.62 kWh/m², and 2,877.83 kWh/employee.

A2.2 Water Consumption

The total water consumption for the Group was 308 m³, with an intensity of 0.23 m³/m² and 7.70 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. The measures are as follows:

- using energy-efficient appliances
- ensuring that the central air conditioning in the office is kept at a temperature of 25°C, and is turned off if the external temperature is lower than 23°C

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- allowing a flexible dress 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 lighting when natural lighting is available or during low occupancy periods
- setting up computers to go into standby or sleeping mode when idle a certain amount of time
- turning off unnecessary technology (including monitors and CPUs) after office hours.

A2.4 Water Use Efficiency Initiatives

The Group continuously conserves water resources although the water usage is minimal or insignificant, and consistent attention is placed on monitoring water usage each month. 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 0.08 tonnes of packaging materials were purchased during the Reporting Period. Packing materials included plastic wrap, bubble film, Styrofoam, and cartons. Some of the materials were not purchased as they were reused from packages received from other companies. 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	60
Bubble Film	Machine Packing	15

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.

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B. SOCIAL

1. Employment and labour practices

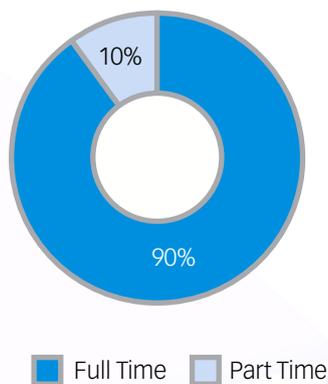
The Group stringently complies with laws and regulations concerning employment and labour practices, such as the Macau SAR Labour Relations Law. In the Reporting Period, the Group hired employees from different geographical regions, such as Mainland China, Hong Kong, Macau, and Malaysia, thereby creating a culturally diverse working community. The Group strives to promote an environment with equality and open communication between employees that allows for suggestions to be made freely. The Group emphasises company bonding and holds lunch gatherings, seasonal parties, and other activities to encourage teambuilding and strengthen the sense of belonging among employees. Additionally, the Group aims to be accommodating and understanding with all levels of staff to assist and support them if required. Annual appraisals are made fairly and reasonably after year-end reviews and evaluation of staff performance. 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 2020, the Group had a total number of 40 employees. See Figures 1-5 for the detail composition of the Group's workforce.

Figure 1 Total Workforce by Employee Type



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Figure 2 Total Workforce by Job Grade

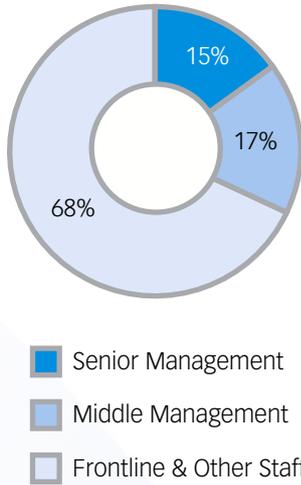


Figure 3 Total Workforce by Age

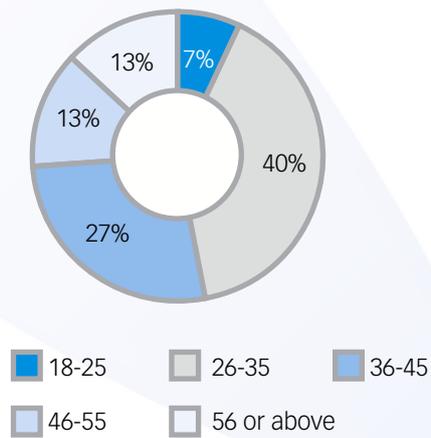
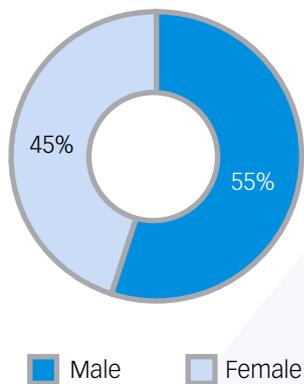
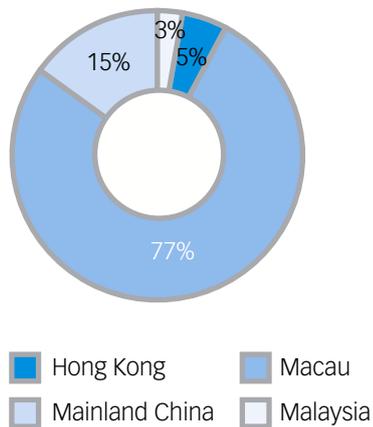


Figure 4 Total Workforce by Gender



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Figure 5 Total Workforce by Geographical Region



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. This is a consistent rate in comparison to the previous Reporting Period. With considerations of the COVID-19 pandemic, the Group has maintained a relatively low turnover rate. The Group has continued to implement initiatives to retain staff during the Reporting Period, including:

- allowing for feedback and improving employee benefits and welfare
- encouraging open communication between employees and facilitating higher levels of discussion of opinion between team leaders and members
- establishing different channels and opportunities for staff to raise comments and concerns
- providing opportunities for career and skills development, and cultivating a sense of teamwork amongst employees through bonding activities
- recognising the talent of employees and appointing them to work in their most suitable positions to allow for maximum efficiency and the most rewarding experience.

The Group will continue to review and improve its remuneration policies to acknowledge its employees' hard work.

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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 they are continually 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.. 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. The Group offers employees a holiday package following Macau's government public holidays, which is compliant to the Decree Law No. 60/2000 on Public Holidays. It strives to encourage employees to spend time with their families, with the unpaid leave policy, which includes the allowance of taking three days of no-pay leave and one day annual leave voluntarily per month.

In the Reporting Period, for most of the year, all staff members were able to work from the office as normal whilst maintaining safe social distancing and enhanced hygiene procedures. The Group has remained accommodating and arranged for employees who had to travel across the border from Zhuhai to remain in Macau SAR after work. The Group has given its best effort and has not made any retrenchments in 2020 due to the pandemic but has introduced a voluntary salary reduction and unpaid leave policy, resulting in approximately 15% of savings in staff-related expenses. In addition, the Group aims to be flexible in these unprecedented times with employees, and allowed redistribution of work within departments when necessary, to work around quarantine necessities.

On an annual basis, performance evaluations are held for each employee to analyse their work for appraisals and promotions. Those who have outperformed their responsibilities and expectations will be considered for a promotion or appraisal, and those who fail to reach their goals will be reached out towards by managerial and directorial level staff. Together, the Group will attempt to resolve any issues and be understanding and supportive of any issues that the employee may be having, so that appropriate solutions can be figured out together. 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. Besides, guidance and additional training is offered to employees if necessary. Finally, a fully functional remuneration committee that was formed at the end of 2017 also reviews and recommends remuneration-related matters and reports to the directors and senior management.

The Group embraces communications with employees as it believes that it is essential to strengthening employee's sense of belonging within the company, which thereby increases the satisfaction that employees feel as they continue to work with the Group. Additionally, a strong belief that the correct positive environment plays an important role in assisting employees reach their full potential. The Group promotes equality and respect, and strongly discourages any forms of discrimination, which is not evident within the working community. The Group also ensures that a welcoming atmosphere is evident for feedback to be given by employees. All employees are entitled to the same opportunities and benefits, and treatment of employees remain equal regardless of gender, nationality, marital status, disability, religious beliefs, etc..

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B2. Employee Health and Safety

The Group places utmost priority on providing a safe working environment for its employees. 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 and maintained regularly. The Group ensures that 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 maintains its system to clean the workplace daily and regularly change the filters of the air conditioners to ensure that a healthy indoor environment is available for its employees. The Group also welcomes desk plants to enhance employees' mood and efficiency. The Group has installed an exhaust system in the office that facilitates better ventilation in the workplace. During the Reporting Period, the Group has begun to maintain the warehouse, office and repair centre area by adopting the "5S" management concept, which are, sorting, setting in order, shining, standardising, and sustaining. This will contribute to a better housekeeping practices, and thus, better working environment for employees. It is expected that by keeping the workplace in order, employees will feel at ease and the overall efficiency of work can improve.

During the Reporting Period, there were no work-related fatality or injury cases. Additionally, there were no instances of non-compliance regarding laws and regulations which relate to providing a safe working environment and protecting employees from occupational hazards had been identified.

In light of the COVID-19 pandemic, the Group has taken new measures in ensuring employee safety. Staff are required to wear masks in the working area, and the Group has prepared extra masks in the case that employees require a new one. In addition, alcohol-based hand sanitizers are placed in all public areas such as reception, pantry, open office area, and meeting rooms. Medical thermometers have also been set-up and is available for use should any employee wish to. Finally, in the case of a contingency, Admin and Human Resource departments will respond and handle emergency situations.

B3. Development and Training

The Group provides comprehensive career development and training to all employees. All technology-related department employees in the Group are arranged to take the Safety Card Course that the Macau SAR government offers. Employee performance evaluations, training assessments, and questionnaires are regularly conducted to ensure sufficient and appropriate training is identified and conducted for employees. Following that, the Group will make arrangements for high-quality and professional training for employees as preparation for the various challenges they may face in their work, as well as for future development needs.

On a directorial and managerial level, briefings are provided regularly to remind, and further develop their duties and responsibilities. As well, during all related training courses, participation is encouraged for directors at the Group's expense to encourage further learning with proof of training records. In continuation of the previous Reporting Period, the Group remains in consideration of establishing a formal Training and Development policy to outline training plans in the future.

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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 follows a detailed and well-established Policy Manual that emphasises and focuses on the procedures of purchases and payments, as well as improving the transparency in the decision-making process that takes place prior to all purchases and transactions. All suppliers must undergo a strict assessment that involves internal evaluation forms, such as the Sample Request and Evaluation Report. As well, prior to the addition of new machines, its suppliers must be listed on the Lists of Approved Manufacturers and Suppliers of Gaming Machines issued by the Gaming Inspection and Coordination Bureau as quality assurance. In addition to new suppliers, existing suppliers are evaluated annually regarding its performance to ensure that the quality of their goods and services remain at an acceptable level. In this Reporting Period, the Group continued the system of requiring suppliers to provide invoices and electronic documents of approval after back-and-forth discussion, which also demonstrates the Group's efforts in environmentally sustainable development. Additionally, the Group has introduced the use of an OA system, which offers systematic procedures in document sharing and approval, thereby influencing good ESG performance both internally and externally. Lastly, the Group is planning to launch a plan for related departments to conduct spontaneous site visits to suppliers to ensure there are no violations or threats of sound ESG practices.

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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
United Kingdom	1	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 the installation of machines. The Group has manuals and Standard Operating Procedures which the staff makes reference to during daily operations. Experienced supervisor(s) are designated to monitor all working procedures onsite. Staff also learn and practice proper procedures with testing machines that are provided and the same tests are performed on all machines. This ensures that all machines are standardised and have the same performance. All products have undergone testing conducted by internationally qualified laboratories to ensure hardware and software are safe. With consideration of the Group's products and services, quality checks tested by those approved by local governors and related market leaders allows for games to be fair to all end users are essential. The mathematics of the machines used as tests to ensure all games and combinations are random. As an EGEs distributor and service provider, there were no product recalls or service complaints due to health and safety reasons received during the Reporting Period.

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B6.3 Data Protection

The Group respects the protection of personal data and is committed to adhering to the data protection principles and all relevant provisions of the Hong Kong Personal Data (Privacy) Ordinance, 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 sets guidelines on the data classification and corresponding protection measures to be taken. Data has been defined into three levels: 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 always kept under the department's control.

The Group's dedicated IT department monitors the hardware and software to ensure the stability of the network and smooth operations. Personal Computer Security is strictly monitored. For example, individual users shall not install any hardware on their PCs. In addition, 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, and 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 high level of ethical practices in the business. The policy sets out the responsibilities of those who work for the Group regarding observing and upholding a zero-tolerance position on issues related to bribery and corruption. Any act of corruption is to be condemned against strongly. The policy is applicable to all 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(s) 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, anywhere 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 will consider arranging webinars on anti-corruption for its employees and directors.

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The Group has a whistle-blowing system that allows employees to make a report if they are aware of any malpractice. The whistle-blowers should make their complaints to the line manager, the compliance manager, or 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 and practice acts of 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, encouraged staff to join charitable and environmentally-friendly activities (such as purchasing moon cakes from NGOs and supporting the government's recycling projects), and supported the developmental activities of various sports and the industry which the Group belongs to. During the Reporting Period, the Group has contributed over HKD 44,400 focusing on supporting charities, providing educational opportunities, and promoting industrial development, see Table 6. It will consider formulating formal policies on community engagement soon.

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

Area of Contribution	Beneficiary of Contribution/ Investment in Community	Contribution
Industry Development	Inside Asian Gaming Power 50 Gala Dinner	Sponsorship of HKD 20,000
	Macau After Dark 5	Sponsorship of MOP 5,962
	Macau After Dark 7	Sponsorship of MOP 7,767
	Internship Program for a student from the Macau Polytechnic Institute	Paid Internship job for 1 student to complete his/her academic credits
Charities	Walks for Millions by the Charity Fund from the Readers of Macao Daily News	Donation of HKD 3,000
	Caritas Macau	Donation of epidemic prevention supplies with a value of MOP 8,305