



Gameone Holdings Limited

智傲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8282

2021

Environmental, Social and  
Governance Report



# TABLE OF CONTENTS

APPROACH	2
ABOUT THIS REPORT	3
ESG MANAGEMENT	4
Statement of the Board	4
OUR STAKEHOLDERS	5
Materiality Assessment	6
SECTION A: ENVIRONMENTAL	7
Emissions	7
Use of Resources	9
Climate Change	11
The Environmental and Natural Resources	12
SECTION B: SOCIAL	13
Employment	13
Employee Turnover	14
Health and Safety	15
Development and Training	15
Labour Standard	16
Supply Chain Management	17
Product Responsibility	17
Anti-corruption	19
Community investment	19

## APPROACH

Gameone Holdings Limited (hereafter called “Gameone” or the “Company”) and its subsidiaries (collectively, the “Group” or “we”) are committed to improving business performance to maximize stakeholders’ value without compromising the environmental and social aspect, in the hope that it can bring positive impact on both the Group and the community. Aiming to be the market leader in Hong Kong and Taiwan mobile game industry, the Group focuses on developing a wide game product portfolio, ranging from self/co-developed to licensed games as well as leveraging third-party distribution platforms to enrich customer base. The strong relationship with renowned game developers and operators contributed to the success of the business.

We always thrive for meeting the expectation of our stakeholders. Our main stakeholders, including customers, potential investors and shareholders, employees, suppliers, non-governmental organizations (“NGOs”) and local community, post significant impact on the Group’s daily operations. Building on the insight gained from the stakeholders, we roll out a sustainability strategy, management and reporting system.

We constantly hope to mitigate emerging risks and explore new business opportunities. Riding on the current mobile game trend, we are hoping to refine our products to meet the escalating customers’ needs.

To implement sustainability strategies which apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To minimize the burden on the environment
2. To identify and prioritize the environmental and social issues
3. To foster the innovative culture
4. To respond to the crisis and market changes in a timely manner
5. To safeguard human rights and social culture
6. To actively engage stakeholders in the decision-making process
7. To nurture and empower our employees
8. To support the local community

Hard work lies ahead as we continue to grow and operate sustainably, yet, together as a whole, there is nothing to stop us reaching more milestones.

## ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”). The Report focuses on providing an overview of the environmental, social and governance performance of our major operations in Hong Kong and Taiwan for the year ended 31 December 2021 (the “Reporting Year”). It allows us to conduct thorough performance review and evaluation for better results in the future.

### SCOPE OF THE REPORT

This Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the GEM Listing Rules (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In preparing the Report, the Group has adopted the international standards and emission factors specified in the guidance materials on ESG issued by the Stock Exchange for computing the relevant key performance indicators (“KPIs”), and there is no change from previous year in the way the ESG Report has been prepared. The application of materiality is detailed in the section headed “Materiality Assessment” of this ESG report.

Divided into two parts, the first part of the Report highlights the environmental initiatives carried out by the Group, whereas the latter part elaborates on the social impact brought by the Group in both Hong Kong and Taiwan, during the Reporting Year. This Report set out the work we have done in the past and the future plans for sustainability.

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

- Hong Kong’s mobile game industry;
- The global mobile game market;
- The current or future environment or society in which we operate;
- Our financial performance or operations; and
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this Report are referenced from our archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for the year ended 31 December 2021.

### FEEDBACK

For details in relation to our financial performance and corporate governance, please visit our website on [www.gameone.com.hk](http://www.gameone.com.hk) and/or our Annual Report for the Reporting Year. We also treasure your feedback and comments on our ESG performance, please send your feedback and other sustainability enquires to our Customer Service Manager at [goinfo@gameone.com](mailto:goinfo@gameone.com).

## ABOUT THIS REPORT

### ESG MANAGEMENT

#### Statement of the Board

As a responsible corporate citizen, the Group acknowledges that quality management of environmental and societal issues and activities is of great importance to promoting sustainable economic growth. The Report summarizes the strategy, practice, and vision of the Group in respect of the issues related to ESG, and conveys a clear message of the Group's devotion to sustainability. To address the global concern about climate change that affects not only the environmental systems but also our daily lives, the Group has considered the climate-related issues and incorporated them into its risk management system to enhance its resilience and adaptive capacity to potential climate change impacts. All potential risks that may have impact on the Group's businesses will be covered and evaluated in the annual risk assessment.

The Group has established a governance structure to enhance its management of ESG issues. The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group, reviewing the Group's performance annual against the ESG-related targets, and revising the ESG-related strategies as appropriate if significant variance from the ESG-related target is identified. The Group has set up an ESG Working Group which comprises members from middle to senior management and supports the Board in implementing ESG-related strategies and targets, conducting materiality assessments of ESG issues, and promoting the implementation of measures in relation to ESG issues identified. By the delegation of authority of the Board, the ESG Working Group assists in collecting ESG data from different functional departments of the Group, monitoring the implementation of the measures in relation to ESG issues identified, and investigating any deviations from the ESG-related strategies and targets and liaising with relevant functional departments of the Group to take prompt rectification actions in relation to such deviations.

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

<b>Board</b>	<ul style="list-style-type: none"><li>• The Board is responsible for the overall decision-making, oversees the formulation, administration, and assessment of the ESG system.</li></ul>
<b>ESG Working Group</b>	<ul style="list-style-type: none"><li>• The ESG Working Group is responsible for assisting the Board in managing and monitoring the ESG matters on a daily basis.</li></ul>
<b>Functional Departments</b>	<ul style="list-style-type: none"><li>• Functional departments are responsible for the execution of implemented measures to achieve the set strategies and targets.</li></ul>

## OUR STAKEHOLDERS

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

The major ESG concerns of its stakeholders and the means through which the Group engages with such stakeholders are detailed below:

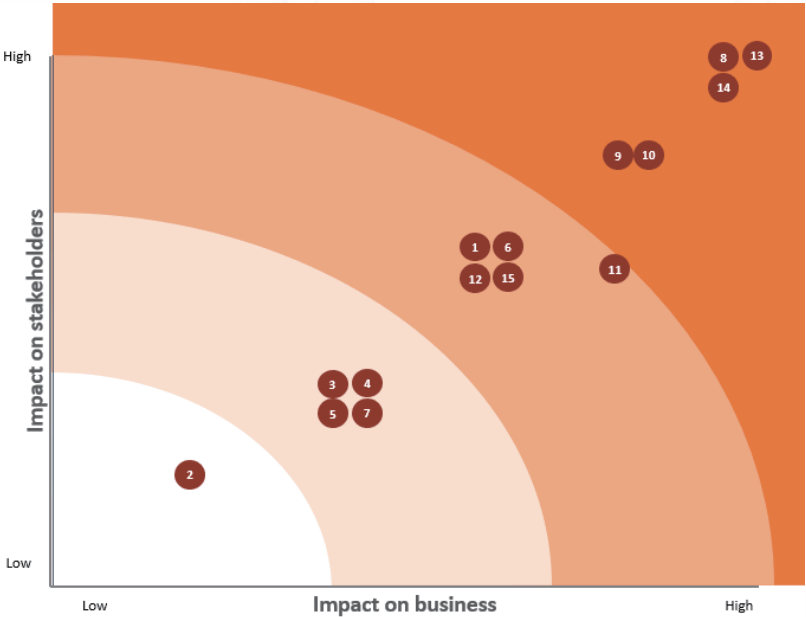
<b>Stakeholders</b>	<b>Probable issues of concern</b>	<b>Communication and responses</b>
<b>Stock Exchange</b>	Compliance with listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
<b>Government</b>	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
<b>Suppliers</b>	Payment schedule, and stable demand.	Site visits.
<b>Investors</b>	Corporate governance system, business strategies and performance, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issuing of financial reports and/or operation reports for investors, media and analysts.
<b>Media &amp; Public</b>	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
<b>Customers</b>	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
<b>Employees</b>	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, and employee suggestion boxes.
<b>Community</b>	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

# OUR STAKEHOLDERS

## Materiality Assessment

The Group has identified ESG issues that may have potential impacts on its sustainable development from various sources, including issues identified and included in the Group’s previous ESG report and internal policies, and some reflected by industry trends, the areas of ESG concerns raised by the Group’s stakeholders as set out above, and the Sustainability Accounting Standards Board’s Materiality Map<sup>1</sup>. Such ESG issues have been analysed with reference to an array of factors, including the Group’s overall strategy, development, and goals and targets. The Group has conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders, and their respective levels of impact. The Group has adopted relevant measures to cope with these factors, and therefore, the Group believes that these factors do not have a material impact on the financial and operational performance of the Group.

The results of the materiality assessment on the identified ESG issues are set out in the table below:



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

<sup>1</sup> Sustainability Accounting Standards Board’s Materiality Map, <https://materiality.sasb.org/>

## SECTION A: ENVIRONMENTAL

### ENVIRONMENTAL COMPLIANCE

The Group understands that the global environmental concerns significantly influence the Group's business sustainability. In this respect, we are committed to developing and expanding our business without compensating the environment. Thus, we strive hard to integrate environmental sustainability into our core business operations through various means so as to reduce the related carbon footprints and the relevant intensity level<sup>2</sup>. For the Reporting Year, there was no material non-compliance issue with relevant laws and regulations related to the environment. The Group will continue to be alert to any non-compliance behavior relating to critical environmental problems.

### EMISSIONS

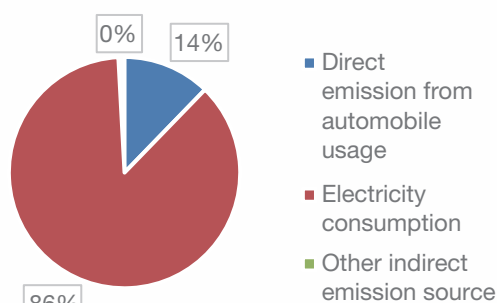
#### Air Pollution Emission

As the Group's core business activity is the development, operation, and publishing of various kinds of digital games, the only air pollution emission source is the usage of company cars for transferring our management, clients, and employees. The material air pollutants emitted from automobile usage are mainly composed of sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM"). The total air pollutants produced amounted to approximately 4.22 kg (2020: 3.59 kg), with an intensity of approximately 0.09 kg (2020: 0.07 kg) per employee. The increase in intensity was due to the change in the fuel consumption per 100 km distance travelled listed in the energy utilization index as advised by the Hong Kong Electrical and Mechanical Services Department<sup>3</sup>.

#### Greenhouse Gases Emission

The fundamental sources of the greenhouse gases ("GHG") emission for the Group was scope 2 electricity consumption<sup>4</sup> and the aforementioned scope 1 automobile usage. In addition, there were also several kinds of other indirect emission sources contributing to the Group's carbon footprints, noted as the scope 3 electricity consumed in fresh water and sewage processing<sup>5</sup>, paper waste disposal at landfills. During the Reporting Year, the total GHG emission by the Group weighted to approximately 99.76 tonnes (2020: 107.84 tonnes) with an intensity of approximately 2.04 tonnes (2020: 2.03 tonnes) per employee. The GHG emission intensity is quite stable as compared to previous reporting year. The Group aims at maintaining the emissions intensity at a stable level in the coming reporting year, i.e. within 80% to 120% of this year's intensity as a short-term target.

GHG Emission from Different Sources



2 The different intensity figures in this report are calculated per employee, with a total number of 49 employees as at 31 December 2021 (2020: 53).

3 The energy utilization index advised by the Electrical and Mechanical Services Department is retrieved from <https://ecib.emsd.gov.hk/index.php/en/energy-utilisation-index-en/transport-sector-en>

4 The emission factors of electricity consumption in Taiwan were assumed to be at 0.509 kg per kWh according to the local governmental departments' announcements. The emission intensity of electricity sold according to latest Sustainability Report 2020 from HK Electric was 0.71 kgCO<sub>2</sub>e/kwh.

5 With an emission factor of 0.596, according to the 2019/20 Annual Report of the Water Supplies Department.



## SECTION A: ENVIRONMENTAL

Compared to last year, the total GHG emission has decreased by 7.49% due to the decreased GHG emission from electricity consumption by approximately 9.5% during the Reporting Year.

Region	GHG emission due to electricity consumption		
	2020 (tonnes)	2021 (tonnes)	Change in%
Hong Kong	81.80	74.73	↓ 8.64%
Taiwan	11.90	10.08	↓ 15.29%
Grand Total	93.71	84.81	↓ 9.50%

### Waste Management

#### *Hazardous Waste*

The Group is principally engaged in development, operation and publishing digital games. Thus, there was no significant amount of hazardous waste produced to be identified for the Reporting Year.

#### *Non-hazardous Waste*

The non-hazardous waste produced by the Group was mainly the paper waste produced in daily office operations. The total paper waste disposed by the Group during the Reporting Year weighted to approximately 231 kg (2020: 175 kg) with an intensity of approximately 4.71 kg (2020: 3.30 kg) per employee. The 32% increase of the paper consumption was mainly caused by the on and off work-from-home arrangement during the Reporting Year due to the impact of the COVID-19 pandemic.

To reduce both direct and indirect adverse impacts on the environment due to paper production process, we strive for eliminating the need of paper-printing and creating a paperless working environment. We have replaced all printed GO Card with digital GO Card selling on online platforms and switched gradually from using printed-document to digital documents. We also encourage our staff to reuse single-side-printed paper and use less paper printing when unnecessary. Collection boxes of paper products are also placed in office for recycling purpose. Not only saving paper can help us reduce the carbon footprints as aforementioned in Greenhouse Gases Emission, it can also alleviate the negative impacts provoked by logging process. Through adopting these steps, the Group, for the next reporting year, hopes to maintain the non-hazardous waste intensity at 90% to 115% of the current level, given that there is no addition of other types of non-hazardous waste.



Collection box placed in office



Paper-saving label on printer

## SECTION A: ENVIRONMENTAL

### USE OF RESOURCES

To maintain the position as an environmental-sustainable enterprise, we have implemented certain kinds of measures to reduce carbon emissions in our daily operations.

#### Electricity Consumption

As aforementioned in Greenhouse Gases Emission, the electricity consumption was the key culprit leading to the Group's GHG emission. During the Reporting Year, the total electricity consumption amounted to approximately 125.06 MWh (2020: 124.75 MWh), with an intensity of approximately 2.55 MWh (2020: 2.35 MWh) per employee. Our Group has maintained a stable electricity consumption per head count as compared to previous reporting year.

We have emphasized the importance of energy conservation. In the office, we have encouraged our staff to develop an energy-saving habit by using natural lighting whenever possible instead of electric lighting. We spur every employee to switch off all idle appliances. Besides, we selected the energy efficient appliances such as LED Light bulbs in the office to reduce unnecessary electricity consumption. In the foreseeable future, we promise to make more efforts on the topic of energy conservation to further reduce our carbon footprints. By these means, the Group aims at keeping next reporting year's consumption intensities at 90% to 115% of the current levels.



Natural lighting in the office



Energy-efficient appliance



Labels reminding our staff to switch off appliances before leaving the office

## SECTION A: ENVIRONMENTAL

### Water Consumption

One of the Group's fundamental goals is to treasure water resource since it is always the most precious natural resource. During the Reporting Year, the Group consumed 71 m<sup>3</sup> (2020: 122 m<sup>3</sup>) water in our daily business operations with an intensity of 1.45 m<sup>3</sup> (2020: 2.30 m<sup>3</sup>) per employee. Since the water usage was included in the management fee of the new Taiwan office, no actual data of water consumption could be obtained. As our water sources were from the governmental body, there was no water supply issue identified for the Reporting Year. To cherish water resource as well as to whittle down the indirect consumption of electricity during water processing, we have posted labels in the office to encourage our staff to save and use less water when unnecessary.

By implementing the above resource-conserving measures and reminding our employees of the importance of sustainability, we aim at keeping next reporting year's consumption intensities at 90% to 115% of the current levels.

### Packaging Materials

Since all physical GO Cards were replaced by digital GO Cards, there was no significant usage of packaging materials can be identified for the Reporting Year.

## SECTION A: ENVIRONMENTAL

### Climate Change

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

Risk Type	Risks	Potential Financial Impact	Short (current reporting period)	Medium (1-3 years)	Long (4-10 years)	Mitigation Strategy
Physical Risks	<ul style="list-style-type: none"> <li>• Extreme weather conditions such as flooding and typhoon</li> <li>• Sustained elevated temperature</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced revenue from business and supply chain disruptions</li> <li>• Increased cost related to the rising need for cooling</li> </ul>	√	√		<ul style="list-style-type: none"> <li>• Located our offices in cities where the occurrences extreme weather conditions are relatively rare</li> <li>• Established adverse weather condition policy</li> <li>• Adopted energy conservation measures</li> </ul>
Transition Risks	<ul style="list-style-type: none"> <li>• Changes in environmental-related regulations</li> <li>• Shift in customer preferences to producers that are more active in incorporating environmentally friendly concepts</li> </ul>	<ul style="list-style-type: none"> <li>• Increased pricing of greenhouse gas emissions</li> <li>• Decreased revenue due to loss of customer</li> </ul>		√	√	<ul style="list-style-type: none"> <li>• Our Group has limited company vehicle use to necessary meetings and reduced energy consumption by implementing energy conservation measures</li> <li>• Replaced physical GO Cards by digital GO Cards to reduce wastes</li> </ul>

## SECTION A: ENVIRONMENTAL

### THE ENVIRONMENTAL AND NATURAL RESOURCES

Due to the Group's business nature, our activities are mostly held online, which we believe that our activities do not pose significant impacts on the environment and natural resources. However, in order to preserve environmental and natural resources, alongside the aforementioned aspects, we have also developed a set of written policy for our employees to comply with. The policy encourages our staff to:

1. Switch off all idle appliances before leaving the office;
2. Maintain air-conditioning at a reasonable temperature level (e.g., 25.5 °C);
3. Purchase electrical appliances with higher efficient energy label
4. Carry out regular checks and maintenance on electrical appliances to avoid any energy inefficiency;
5. Regularly monitor the level of usage of electricity and water;
6. Avoid overuse of water, electricity and paper products;
7. Plant more plants in the office to promote green office; and
8. Reuse and recycle paper products.

As for our efforts made on environmental protection, we are pleased to report that there was no material non-compliance issue regarding relevant laws and regulations for the Reporting Year. We promise to make continuous efforts on environmental protection in the coming future for the mutual sustainability of our business and the environment.

## SECTION B: SOCIAL

### EMPLOYMENT

We believe that continued business success relies on the full contribution and support of our talented employees. To seek mutual interests for both, we nurture our staff and aim to grow with our employees for the future boom of the Group. During the Reporting Year, there was no labor dispute cases reported by the Group.

#### Our People

In order to advocate equality in workplace, our written policy clearly stated that employees are treated under equal opportunities regardless of their gender, nationality, marital status, disability and religion.

For recruitment and dismissal process, the Group goes through the procedures according to the HR policies stated internally. For recruitment, equal opportunities are provided to all applicants with regards of the considerations of their experience, knowledge and skills only. The Human Resources Department strictly processes every application. For compensation and dismissal, those employees acting improperly or breaching of contract terms and code of conduct will be warned or even terminated. Compensations are provided to those dismissed employees when applicable according to the relevant laws and regulations.

As at 31 December 2021, we have 49 employees in total. Our employees' male-to-female ratio was approximately 3.1:1. We strive for a harmonious work environment without any kinds of discrimination as for our employees. The detailed employment information is as follows:

	<b>As at 31 December 2021 Total</b>
Total workforce	49
Breakdowns by gender	
Female	12
Male	37
Breakdowns by age	
18-25	4
26-35	20
36-45	13
46-55	8
56-65	3
>65	1
Breakdowns by employee type	
Full time	49
Part time	0
Breakdowns by geographical location	
Hong Kong	46
Taiwan	3

## SECTION B: SOCIAL

### Employee Turnover

As at 31 December 2021, employee turnover across the Group was at 33%. The detailed turnover information is as follows:

	<b>Year ended 31 December 2021 Total</b>
Overall turnover	33%
Turnover rate by gender	
Female	25%
Male	35%
Turnover rate by age	
18-25	100%
26-35	45%
36-45	23%
46-55	0%
56-65	0%
>65	0%
Turnover rate by geographical location	
Hong Kong	35%
Taiwan	0%

### Employee Benefits

A comprehensive and attractive employee benefits package is provided to all employees in the Group. The employee benefits include overtime compensation, year-end bonus, 7 to 14 days of annual leave, maternity leave, group medical insurance, Employment Compensation Insurance, retirement benefits, induction and on-job training. Besides, the Group has organized irregular team building events e.g., birthday celebration in order to link up and build a positive relationship and network between staff.

The Group strictly abides with the relevant labor laws and regulations in Hong Kong and Taiwan which cover all employment protection and benefits.

## **SECTION B: SOCIAL**

### **HEALTH AND SAFETY**

We place huge importance on safeguarding the health and safety of our employees by taking preventive measures to mitigate the potential office safety risks. Smoking is strictly prohibited in the office area to prevent fire accidents. Fire equipment such as fire extinguishers and fire hydrants were placed in the office and the server room in case any fire accident occurred.

In case of work injury, safety procedures have been included in the staff handbook to give guidance for our employees to respond to emergencies. In addition, work arrangement under bad weather has been clearly included in the staff handbook.

In order to protect our employees, we have established policies and procedures in response to the COVID-19 pandemic. We have hired a cleaning company to sanitise immediately after any confirmed cases of infections, and we have adopted the work-from-home policy to maintain a minimum workforce in the office. We also require our staff to measure their body temperature daily before entering the office premise.

During the last three reporting years, no work-related fatalities were recorded by the Group. Regarding work injury, there was 1 case (2020: nil) of work injury reported by the Group during the Reporting Year. The total number of lost days due to the work injury was 161.

The Group strictly complies with the Employees' Compensation Ordinance in Hong Kong to report any accident to the Commissioner for Labour to contribute sufficient social insurance of work injuries of our employees. The Group also strictly complies with others relevant health and safety laws and regulations, such as the local fire services regulations, to provide a safe working environment to its employees by protecting them from occupational hazards.

### **DEVELOPMENT AND TRAINING**

Continuous assessments are performed on all the employees so as to provide sufficient and efficient training to them. Employee's initial assessment, probation assessment and annual assessment are conducted to let the management better understand employees' needs and act as the reference for rewarding the top-performing employees. To reward top-performing employees, discretionary bonus would be granted to eligible employees in February based on the Company's and individual performance.

The Group is aware of the importance of employee development. We promise to provide sufficient and efficient training to our employees. To familiarise employees with the vision and mission of the Group, the department heads would hold an induction training session with newly-joined staff. Along with the orientation training, monthly on-job training was provided to all employees to fully utilize their talents. The Group provides 46 training sessions which amounted to 1,310 hours were attended by our staff during the Reporting Year to enrich employees' skills and knowledge. Thus, the Group encourages its staff to establish personal development plan and provides suitable opportunities for them to achieve their goals.



## SECTION B: SOCIAL

	Year ended 31 December 2021
	Total
Percentage of employee trained	61.22%
Percentage of employee trained by gender	
Female	13.33%
Male	86.67%
Percentage of employee trained by employee category	
Management	26.67%
Mid-level employee	0%
Junior employee	73.33%
Average training hours	26.73
Average training hours completed per employee by gender	
Female	8.67
Male	32.59
Average training hours completed per employee by employee category	
Management	12.30
Mid-level employee	0
Junior employee	32.97

### LABOUR STANDARD

The Group strictly abides by the relevant laws and regulations with regard to child labour, minimum wage, MPF and Employment Compensation specified by the government. We are delighted to announce that we have not encountered major risks in human rights and employment matters so far. The Group guarantees that no employee is made to work against his/her will, or work under forced labour, or subject to coercion related to work. Recruitment of child labour is strictly prohibited. Through the whistle-blowing mechanism, employees are able to voice out injustice they faced. Department heads will communicate with the employees about the issue. General Manager is responsible for further investigation to ensure that all injustice cases are tackled appropriately.

During the Reporting Year, there was no cases (2020: nil) of material non-compliance with applicable laws and regulations in relation to labour standards.

## **SECTION B: SOCIAL**

### **SUPPLY CHAIN MANAGEMENT**

Establishing a successful and beneficial relationship with suppliers was one of our objectives as we viewed them as partners in helping us to grow the business. We formed strategic alliance with renowned game developers, distributors and operators to collectively develop high-quality licensed games and obtain exclusive game rights to enrich our product profile.

During the supplier selection process, we consider the qualification, reputation, technical requirements and quality of the game developers. As our business nature mainly lies on acting as a game agent, the evaluation on environmental protection and social aspects may not be relevant. However, when selecting other suppliers, issues such as human rights management adopted by the suppliers and environmental protection are taken into consideration. Only the suppliers with a pass result in the initial assessment can be added into our approved supplier list. For those suppliers with unsatisfying results, we remove them immediately from the approved supplier list to ensure that we provide the highest quality of digital games. As at 31 December 2021, we have built a trustful and long-term relationship with 28 suppliers located in Hong Kong, the Mainland China, Taiwan, and Europe.

Besides the supplier selection, we also assess the quality of the digital games before we obtain the exclusive game rights as follows:

- 1) Background checks of the game developers are conducted to investigate their product portfolio.
- 2) Research on the local leaderboard is carried out to understand the popularity and the prospect of the targeted game in the current market.
- 3) Internal testing is executed to ensure that the product operates as intended.

We only consider to cooperate with those game developers or suppliers with satisfying result and foreseeable beneficial prospect.

### **PRODUCT RESPONSIBILITY**

Since the Group specializes on the development, operation and publishing of digital games, we are committed to complying with and even exceeding applicable standards and quality control to safeguard the Group's reputation and the public interests.

#### **Quality Standards**

To diversify our game portfolio and to maintain novelty of our games, the research and development ("R&D") team and the management constantly keep a close eye on the game content. Before publishing the games, our R&D team makes best efforts to fix bugs and plug the loopholes in the system. Furthermore, unique and value-added features are integrated into the finalize version of the products for the sake of providing the gamers the best gaming experience.

## SECTION B: SOCIAL

Not only does the Group focus on the product quality, the Group also places huge importance on the gamers' mental health, especially for children and teenagers. As such, all of our games do not contain any nudity content, which was required in Article 44 of the Children Protection Act and Electronic Game Arcade Business Regulation Act in Taiwan. In addition, our advertisements also based on actual game content with proper endorsements.

### Customer Service

Not only do we focus on the relationship between the suppliers aforementioned in *Supply Chain Management*, but we also emphasize the interaction with our customers.

To engage with our customers, online customer service platform has been set up. Corresponding handling procedures of various kinds of enquires and compliant are maturely established for our well-trained representatives to follow. Prompt responses are provided and we promise to solve our customers' compliant within 7 to 14 days. All escalated cases would be examined thoroughly and passed to the relevant departments for developing solutions. All significant compliant and the corresponding handling results are recorded in details for our management to further follow up if necessary and for our improvement.

During the Reporting Year, there were no case (2020: nil) of complaint reported to the Consumer Council nor the Group's Customer Services team regarding virtual items in the games.

### Intellectual Property Rights and Data Protection

The Company acknowledged the importance of intellectual property rights so we have set out our policies and principles. It included usage of computer software, copyright protection, and customer data protection etc. As to protect copyright, unless approved by the management or head of information technology department, no one is allowed to copy or modify the computer software installed.

The Group often collaborates with other gaming companies or individuals to obtain the copyright of creative work or anime characters. To ensure there is no infringement of copyright, contracts and non-disclosure agreement are signed with the relevant parties. The policies and procedures regarding the contract signing process and the right to use the copyright have been in place.

It is our intention to keep updating our related policy according to the latest rules and regulations so to ensure that it is in line with the best practices. To comply with the Personal Data (Privacy) Ordinance (Cap. 486), notices on customer data collection and personal information collection statement have been posted online to keep the users informed about the purpose of data collection. It is our policy to destroy customer information associated with game accounts which are not active for more than one year. Guideline and policy are also established to safeguard the employee data privacy. The employee data is only used for salary and welfare adjustment purpose. The data received upon the employment process, we destroy the personal data of the unsuccessful applicants within one year.

## **SECTION B: SOCIAL**

The Group has established the member accounts regulations for the users during the registration of the game accounts. It clearly stated the rules of the game accounts, personal information collection statement and privacy policy statement. Account user has to acknowledge and consent to the above statements before obtaining the right-to-use of the game accounts.

During the Reporting Year, there was no cases (2020: nil) regarding data leakage and copyright infringement reported by the Group.

### **ANTI-CORRUPTION**

The Group has established written policy to state clearly the Group's stance and the responsibilities of its employees. The Group severely prohibits its employees, including directors, to make inappropriate payments or to accept any forms of gifts and benefits beyond proper permission. Any gifts and benefits accepted should be promptly reported to the management for further decisions. In addition, our employees are strictly prohibited from engaging in any illegal acts, including extortion, fraud, money laundering, etc. Identified cases will be followed-up with applicable legal actions. It is the Group's core values for reminding its employees to uphold their integrity and professionalism.

The Group encourages its employees to report alleged malpractices, misconduct and possible cases violating the Prevention of Bribery Ordinance (Cap. 201) or the Prevention of Money Laundering and Terrorist Financing Guidance Note by the Securities and Futures Commission. A Whistleblowing Policy has set up since 2019 which we value and welcome our employees to report any suspected malpractices through various channels. Management, and even Audit Committee, takes immediate action to investigate the issue. The Group promises to fully support the whistleblowers and the identity of the whistleblowers is also well protected. During the Reporting Year, there was no concluded legal cases (2020: nil) regarding any forms of fraud brought against the Group or its employees.

Although we did not hold anti-corruption training in the year ended 31 December 2021 as our business nature is unlikely to be susceptible to corruption, we are able to organize relevant training when needed. In order to raise our employee's awareness, we have sent internal emails encouraging our employees to report any signs of corruption.

### **COMMUNITY INVESTMENT**

The Group did not organize any community and charity activities during the Reporting Year due to the COVID-19 pandemic, which was to ensure the safety of both our employees and the community. We will explore more social welfare actions in the future. We wish to be more involved in cultural activities after the COVID-19 situation improves and restrictions are lifted.