



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

Stock code:326

2018

Environmental, Social and Governance Report

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About This Report

This is the Environment, Social and Governance Report (the “Report”) for China Star Entertainment Limited (“China Star”) and its subsidiaries (collectively, the “Group”) (Stock code: 00326). The Report aims to disclose our approach to, and initiatives on, material environmental, social and governance issues, as well as our future plans to enhance our sustainability performance. Our Board of Directors (the “Board”) is committed to disclosing the Group’s management approach, operating practices, and environmental and social performances that are material to the Group’s operations. Such data is disclosed on an annual basis, in a transparent and responsible fashion. Unless otherwise specified, the reporting period of this Report covers our last financial year from 1 January 2018 to 31 December 2018 (the “Reporting Period”).

The Board is responsible for the leadership and control of the Group, as well as overseeing the Group’s business, environmental and social performance in promoting sustainable development. The Board aspires to play a pivotal role to achieve sustainable business growth by enhancing communication with our stakeholders, maintaining high quality of our products, supporting the development of our staff, as well as proactively engaging with our communities. It is hoped that the Report plays a constructive role in assessing the Group’s financial, environmental and social performance in this Reporting Period, as well as establishing the direction for our future sustainability strategy.

Reporting Scope

As disclosed in our 2017 Environmental, Social and Governance Report, the Group had decided to dispose its hotel and gaming operations in Hotel Lan Kwai Fong Macau and shifted the focus of its business strategy to property investment and development. This business segment involves large-scale construction projects that contribute the most environmental and social impacts among our operations in this Reporting Period.

Due to shifting focus to a new business strategy, the scope of this Report is limited to our own impact within our operational control and includes only the operations of the Group’s offices in Macau except for disclosing the environmental data of the Group. Nevertheless, the Board intends to enhance and expand the scope of our ESG Reports in the future.

Reporting Framework

This Report is prepared in accordance with the “comply or explain” and “recommended disclosures” provisions of the Environmental, Social and Governance Reporting Guide (“ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities as set out by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Feedback Contact

We appreciate and value your feedback on this Report and on our sustainability performance. Should you have any comments or suggestions, please feel free to send us your views through the following channels:

By post	Unit 3409, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong
By email	mail@chinastar.com.hk
By fax	(852) 2313 1888

About China Star

Since its establishment in 1992, China Star is principally engaged in the production and distribution of films and television drama series, as well as the provision of other film related services. The Group also engages in property development and investment in Hong Kong and Macau. During the Reporting Period, China Star's operations involve two main business segments, including property development and investment, and film related business.

Property Development and Investment Operations

Recognising the potential growth of property market in the Greater Bay area, the Group considers property development and investment more stable and sustainable. Thus, it establishes a new business segment, engaging principally in investment and development of properties in Hong Kong and Macau. Currently, the major project in progress involves the development of a luxury residential and commercial complex of two towers with spacious apartment units ("Macau China Star Square Project"). Located in the combined site at Lot 6C, Lot 6D and Lot 6E at Zona de Aterros do Porto Exterior, Macau (the "Combined Site") with a total gross floor area of approximately 47,000 square meters (m²), the construction work of the Combined Site has started in June 2017 and is expected to complete in the third quarter of year 2019.

Since the disposal of the hotel and gaming operations in Hotel Lan Kwai Fong Macau, the development of the Combined Site becomes our Group's major business investment in Macau. This business segment currently contributes the most to the Group's operations economically, socially and environmentally. Therefore, it will be the focus of this Report.

Film Related Business Operations

The Group has been engaging in the film business for more than 20 years, this segment is considered the most renowned among its existing business operations. With a long-established history, it mainly involves investment, production, distribution and licensing of films and television drama series, as well as provision of film related services including artist management services.

A new film tentatively named "追夢男女" was put in the making in mid-October 2017 and the shooting was completed in February 2018. To expand our production capacity and maximise our value and return, the Group is looking forward to commencing more film productions in coming years, so long as the feasibility study for new films is satisfactory.

Our Sustainability Strategy

Sustainability is complex and involves every facet of a business. The Group is committed to pursuing sustainability, effectively integrating strategies into business operation by regularly reviewing its internal sustainability-related policies. High importance is placed in managing relationships with our stakeholders by increasing the level of communication.

To enhance sustainability performance, we will persist in seizing opportunities and achieving healthy and stable growth that will further strengthen our customer base and financial standing while paying closer attention to environmental and social impact. The Board will continuously review ESG-related policies and develop appropriate ESG strategies on an annual basis so that our ESG-related risks are managed and minimised in an effective manner.

Our Stakeholder

The Group understands the vitality to incorporate stakeholders' interests and concerns into operation to improve sustainable performance. Our approach to stakeholder engagement is to ensure maintenance of good understanding of their views that help inform our current and future sustainability strategies. In particular, we maintain close relationships with stakeholders who have direct impact to our operations, such as shareholders and investors, employees and suppliers. We also collaborate with groups that provide guidance to regulate and enhance our performance, for instance the regulatory bodies. In order to ensure effective and transparent communication, we established a variety of engagement channels. Engagement activities are employed regularly in an informed and accountable manner within the Reporting Period.



Our Operation

As a property investor and developer, the Group understands that it shall not be limited to solely pursuing and bolstering business profits. As an indicator of success, it shall be driven to focus on environmental and social aspects of performance, as well as to cultivate shared value among stakeholders and customers by the effective mobilisation of resources. Hence, it is recognised that a multi-pronged approach has to be undertaken to help solidify the foundation of sustainable development and support our business in the long run. Strong commitment is displayed towards strengthening operating practices, by maintaining close relationship with our suppliers, ensuring products are delivered in standardised quality and conducting business with honesty and integrity.

Supply Chain Management

In operating our business, the Group takes up the role as a developer who monitors and manages the property development and investment project in the Combined Site. Our major partners in the supply chain consist of building consultants who offer services in quantity surveying and building cost planning, advice on preliminary building cost, contracting, tendering and valuation; landscape planners who monitor the design process; as well as subcontractors who carry out, supervise and complete the main contract works.

We understand that the Group's corporate image is directly impacted by the quality of work provided by our suppliers and that they play a significant role in determining our overall ESG performance. Thus, it is important to maintain and manage our supply chain effectively, in order to help conserve resources, minimise adverse impacts and optimise productivity.

In managing supply chain relationships, the Group strives to enable fair competition by following a set of stringent procurement and tendering procedures. Prior to the commencement of tendering process, research and assessment are conducted among all new tenderers, where companies are evaluated based on records regarding their work quality, product knowledge as well as reputation in timeliness, customer service and safety. To ensure suppliers are made aware of and in-compliance with the requirement of the tendering procedures, the Tender Documents (the "Documents") were set out by the Group. The Documents outline that technical information, programmes, drawings and preliminary samples must be submitted during tender assessment stage in a precise manner. It is also advised that any post-tender queries, technical and cost interviews raised by the Group must be clearly addressed.

Among existing suppliers, regular assessment and performance review are conducted to closely monitor their overall ESG performance. Within the Reporting Period, various meetings are held with our suppliers to evaluate and coordinate on their work progress and performance on environmental and health and safety aspects. To ensure products are delivered in standardised quality, suppliers are required to comply with relevant local laws and regulations. More details can be found in the "Product Quality Assurance" section. To ensure quality of work is executed with consistency, the Documents also detail that suppliers with constant substandard performance may face exclusion from future tendering or early contract termination.

Product Quality Assurance

To the Group, the product quality it delivered holds significant impact on its overall ESG performance. We understand that the product quality is highly dependent upon the expertise possessed by our working team and employees. Hence, it is of utmost importance to ensure the development project in the Combined Site is under steady progress and the construction work is executed with standardised quality.

In adherence to the General Construction Works Regulation (Decree Law No. 79/85/M), all execution of works including interior fitting-out works and construction works at the Combined Site are carried out after receiving project's approval with the corresponding license issued by the Land, Public Works and Transport Bureau of the Macao Special Administrative Region of the People's Republic of China.

Prior to commencement of the project, the Group proactively engages with different stakeholders. For instance, meetings with various departments of the Macau government were conducted to seek their views on the proposed development of the Combined Site at Lot 6C, Lot 6D and Lot 6E, Zona de Aterros do Porto Exterior. Upon project approval, we engage with local planning authorities and undertook their suggestions to enhance connectivity with the existing city, in which considerable portions of the area of the Combined Site have been dedicated to public use.

During the stage of project planning and design, the Group is in-compliance with the Urban Planning Law (Law No. 12/2013), and the Green Buildings Regulation. Following the guiding terms, we undertake a set of planning procedures in order to ensure the Combined Site is developed such that harmonious and sustainable urban development, nature conservation, as well as environmental balance are fostered.

With a design concept to develop an environmentally friendly, commercially viable and socially sustainable mixed-use complex, the Group outsources to and works with subcontractors on the green landscape planning and design of the Combined Site. For example, in alignment with the Group's vision, the subcontractors take into consideration of the local environmental conditions in designing facade systems and selecting materials such that adverse impact is minimised. In addition to monitoring schedule, quality and budget throughout the design process, a Quality Assurance Team is set up to report on the planning and design procedures on a monthly basis.



Schematic Design of the Combined Site Project¹

To safeguard the interests of the Group against potential risks and optimise the quality and development potential of the project, we outsource to construction management company to supervise the project procedure. We work closely with our subcontractor's Project Management Team on the overall control, including contract procurement strategy, quality and design enhancement, marketability and commercial viability, value added proposition, risk management, as well as effective alignment and communication among various key players for the timely execution of the project. To ensure viability, safety and efficiency, our subcontractors set up the Quality Assurance Team and the Work Safety Team respectively. General meetings are conducted by the two teams on weekly basis to evaluate the work progress, safety, quality and environmental conditions of the construction project.

During the Reporting Period, the Group is not aware of any cases of non-compliance with relevant laws and regulations in respect of product responsibility. Among the buildings in the Combined Site, residential and commercial complex of two towers have attained International Grade "A" Quality.

¹ The Schematic Design is an architectural drawing issued on 19 September 2013.

Business Conduct

The Group strongly believes that the major responsibility of an ethical corporate citizen lies in operating business with openness, honesty and integrity. We are committed to ensuring compliance with relevant laws and regulations, which particularly contain significant impacts on our ESG performance. To promote anti-corruption and uphold integrity within our organisation, the Group strictly prohibits all forms of business misconduct, corruption, bribery, or money laundering activities under any circumstances.

From vending process to the commencement of operation, the Group adheres to the Prevention and Suppression of Bribery in the Private Sector, which is stipulated in the Penal Code and the Penal Procedure Code of Macao. The regulation outlines that any person working in a private entity in Macao is obliged to fulfil fiduciary duty to his/her employer, entrusting person or principal. When any suspicious business activities or alleged unlawful acts involving corruption are witnessed, he/she should inform the employer, entrusting person or principal, as well as directly report to the Commission Against Corruption of Macao.

To strengthen internal management and prevent any disciplinary violations, the Group adheres to the Anti-Money Laundering Law (Law No. 2/2006) of Macao. The regulation details preventive and suppressive measures for anti-money laundering, as well as highlights the employees' obligations in reporting any alleged unlawful cases.

The Group also strives to protect and pays great respect to intellectual property, which includes but not limited to patents, trademarks, service marks, registered designs, trade and business names, copyrights, rights in designs and inventions, and other proprietary rights whether registered or unregistered. Prior to utilisation of any properties, it obtains authorisation and all necessary licensing agreements, as well as adheres strictly to all applicable terms of use.

During the Reporting Period, there was no reported or prosecuted case of bribery, extortion, fraud or money laundering. In addition, we were not aware of any infringement cases of Intellectual Property or other rights of any third party. Moving forward, the Group shall develop an Employee Handbook and detail relevant ethical principles and guidelines for staff's reference. The Group may also enhance employees' awareness and equip them with knowledge and skills on corruption risks by introducing related ordinances and providing relevant trainings.

Our Environment

Natural resources are essential to maintain our daily operations and support the construction project of the Combined Site. The Group is mindful of the irreversible impact our operations may impose on the environment. Therefore, we are committed to managing and alleviating adverse environmental pollution, as well as improving resources efficiency in every aspect of our operations.

Prior to commencement of the project, an environmental assessment and air ventilation assessment was conducted to identify and assess the potential environmental impact, such as air quality, noise, water quality, waste, ecology landscape and visual, during construction and operation stages. The Group liaised and communicated closely with the Environmental Protection Bureau of Macao in the planning and design of possible mitigation measures. These measures include the incorporation of green elements into landscape planning to mitigate the environmental impact and enhance visual elements, as well as the establishment of public space to improve connectivity with the existing city of Macao.

As a property investor and developer who contracts out construction-related works to subcontractors, the Group is not directly involved in the construction and manufacturing operations, thus does not directly impose significant impact on the environment and natural resources within the Reporting Period. Hence, the evaluations of environmental performance described below are subject to emissions or use of resources that the Group has direct impact on, which implies only the Macau offices the Group operates. Nevertheless, we are also conscious of our responsibility to regulate the environmental impact that the Group is indirectly involved in, for instance the construction works at the Combined Site. Therefore, we strive to ensure that all relevant staff and on-site employees are aware of and in-compliance with relevant local laws and regulations.

Emissions Management

The Group is aware of the direct repercussions the environment has on the society's health, well-being and productivity. To minimise environmental degradation, the Group abides by the Environmental Law (Law No. 2/91/M) and requires its subcontractors to follow the related guidelines in reducing and controlling pollution in waste treatment, water, fuel, noise, the atmosphere and light, and to achieve the objective of overall environmental protection.

In order to regulate air pollution at a minimum level, the Group is in-compliance with the Macao Guidelines for Pollution Control in Construction Site. The regulation outlines the Group's obligation to ensure effective implementation of dust control measures and proper maintenance of equipment by subcontractors within the operation site.

A substantial level of noise is produced in our development project at the Combined Site. To protect the health and tranquility of the nearby population, we require our subcontractors to strictly comply with the Prevention and Control on Environmental Noise (Law No. 8/2014) in the prevention and control of environmental noise. The law regulates the noise control period where any modification works, maintenance and repair works that generate disturbing noise are not permitted for period from 7PM to 9AM (next day) from Mondays to Saturdays, and a 24-hour-work-prohibition on Sundays and Public Holidays. Whereby in all civil works that require the use of mobile or fixed mechanical equipment, subcontractors are required to maintain a minimal distance of 200 metres away from residential buildings or hospitals.

As aforementioned, the Group is not involved in the construction and manufacturing operations, thus there are no significant pollution or emissions generated from its business activities. To support our daily operation, the Group has recently purchased a private vehicle. Emission data related to direct emission from fuel combustions of our private vehicle will be recorded and disclosed according in the ESG report in the upcoming year.

Due to limited operational control, the scope of the GHG emissions evaluation covers only the offices the Group used within the Reporting Period. The quantification methodology is based on the 2017 Sustainability Report (2017 Relatório de Sustentabilidade da CEM) published by the Companhia de Electricidade de Macau (CEM).

In this Reporting Period, our source of greenhouse gas emissions ("GHG emissions") solely stem from Scope 2 Energy Indirect Emissions derived from electricity consumption at our Macau offices. As illustrated in the table below, the Group generates 18.023 tCO₂e⁻ of GHG emissions in this Reporting Period. Purchased electricity is the sole contributor of the Group's GHG emissions, which accounts for 100%.

Further information regarding our commitment and initiatives to reducing electricity consumption can be found in the "Resources Management" section.

GHG Emissions	Unit	Office (Macau)
Scope 2: Energy Indirect Emissions	tCO ₂ e ⁻	18.023
Total Emissions	tCO ₂ e ⁻	18.023

Waste Management

Waste treatment and disposal has become a pressing environmental challenge for densely populated cities such as Hong Kong and Macau, which have limited accommodating space for waste treatment and disposal facilities.

As a property developer and investor, we are aware that resource usage maximisation is essential to support a sustainable operation within the Group. Therefore, our Macau offices introduced a few waste reduction initiatives to minimise waste generation at source, promote recycling and ensure responsible manner in waste disposal. In addition, the Group fully complies with the General Regulation of the Public Spaces (Ordinance No. 28/2004), which forbids all our employees and subcontractors to idle wastes in public spaces. The Ordinance instructs responsible parties to separate wastes in respective containers properly.

Paper waste and other domestic waste are the major sources of non-hazardous waste generated at our Macau offices. Due to the absence of monitoring system, the amount of non-hazardous waste generated at the offices is not recorded in this Reporting Period. Similarly, the property management company of the building is in charge of waste disposal and recycling. For the amount of waste generated by our subcontractors at the Combined Site, there is no established monitoring system. Therefore, we do not have record on the amount of waste generated in this Reporting Period. The Group also does not consume, use or produce any packaging materials within the Reporting Period.

With dedication to raise environmental awareness of our employees and operate a “paperless office”, our Macau offices have introduced a series of waste reduction initiatives, including the adoption of electronification that replaces the use of papers for communication, and encouraging the use of double-sided paper in printing for internal usage to reduce paper consumption. For items that are essential for office operation, such as stationery, office furnitures and electronic appliances, the Group intends to maximise the life-span of all usable items. Therefore, new items are purchased only when necessary. We also actively engage our employees at Macau offices in practicing separation of waste on a voluntary basis, where they are encouraged to collect and dispose recyclable waste at respective waste recycling bins stationed outside the office building.

Resources Management

In this Reporting Period, electricity accounts for a significant proportion of operational expenses at our Macau offices as well as the GHG emissions within our operation. Hence, we are committed to improving energy efficiency as part of our effort to mitigate resources depletion and reduce the costs of operation.

At our Macau offices, energy is mainly used for cooling and heating, lighting, as well as electronic appliances. To minimise energy usage, the Group outlines clear instruction for our employees to switch off all electronic appliances, including air-conditioning system, computers, printing and fax machines whenever unnecessary. During office hours, air conditioners are set at minimum temperature of 25°C. LED lighting is being used at the offices to enhance energy efficiency and cost effectiveness.

At our Macau offices, water is supplied by the property management company of the building and is included as part of the management fee. Thus, we do not record the water consumption in the Reporting Period. Nevertheless, the Group acknowledges water scarcity as a global challenge that imposes impacts on our operations, and that it is within our obligation to manage and conserve water resources as a responsible corporate citizen. Therefore, we proactively raise awareness and encourage water conservation practices among our employees by placing water saving signs in the lavatories.

For the Group's energy usage at the Macau offices during the Reporting Period, please refer to the table below:

2018 Energy Usage	Unit	Office (Macau)
Electricity	kWh	21,507.265
Total Energy	MJ	77,426.153

Moving forward, the Group shall continue to seek and introduce new initiatives to achieve energy efficiency. It may also consider engaging with subcontractors regarding resources conservation for the operation of its current and upcoming projects. In order to demonstrate our commitment to environmental sustainability, the Group shall implement an internal Environmental Policy that outlines our expectations and requirements of our staff, subcontractors and suppliers with regards to emission, waste and resources management. The instructions could be introduced to employees during relevant training sessions.

Our People

At China Star, our people form the core to sustainable business growth of the Group. We desire to create a supportive work environment for our employees, address their concerns and needs, and assist them in seizing greater career opportunities. It is within our goal to make our employees feel valued, supported and safe at work. Hence, we are committed to providing a wide range of employment incentives and construct a healthy and safe workplace that is free from discrimination and harassment.

Employment

The Group is dedicated to eliminating and eradicating discrimination for our employees and job candidates at all levels. In line with Macao's Labour Relations Law (Law No. 7/2008), all employees and candidates are entitled to equal opportunities for employment based upon non-discrimination conditions. We strive to make sure that no employee or candidate is unduly privileged, or discriminated against, or deprived of any right or exempted from any duty on the grounds of, inter alia, national or social origin, descent, race, colour, gender, sexual orientation, age, marital status, language, religion, political or ideological beliefs, membership of associations, education or economic background. Unlawful harassment of any type, including sexual, disability and racial is forbidden.

To preserve the rights of our employees, the Group has stated in the Employment Contract their entitlement to maternity, paternity and family leave rights, standardised working hours, compensation and remuneration, recruitment, promotion and dismissal, rest periods and other relevant rights.

With a changing focus of business segment, the Group identifies the need to develop and retain our talent pool by offering various incentives, including competitive remuneration and benefits packages. Benefits to full-time employees include life, medical and dental insurance. The Group also participates in the Social Security Scheme (Law No. 6/2010), which operates on the principle of social insurance. It requires both employers and employees' contributions to the Social Security Fund. By contributing to the fund, it provides eligible beneficiaries with benefits such as old-age pension, disability pension, unemployment allowance, funeral allowance, marriage allowance, birth allowance and compensation for respiratory occupational disease.

The Group also strictly complies with the Personal Data Protection Law (Law No. 8/2005) to ensure that all personal data collected from our employees shall be adequately protected and employment privacy to be respected. During employment processes, direct involvement is required where personal data collection shall only take place under employees or candidates' consent. With bestowment of the law and observation of the principles, the collected data shall also be handled in transparent and legal manners with due respect to personal privacy, fundamental rights and freedom.

In this Reporting Period, we did not receive any non-compliance cases or complaints regarding discrimination or harassment at workplace, as well as breaches of personal privacy or loss of protected data. Moving forward, the Group shall establish internal policies or Employee Handbook for recruitment or Human Resources Use.

Health and Safety

As an employer, the Group recognises workplace health and safety as one of the priorities within our interest to maximise productivity. It is our responsibility to ensure that our employees are healthy and safe, both physically and mentally at work in order to optimise their performance.

We strictly abide by the General Regulation of Working Safety and Hygiene of Office, Service and Commercial Establishment (Decree Law No. 37/89/M) and follow the guidelines in providing a safe and clean working condition for our employees at Macau offices. We strive to ensure good hygiene and safety at work with desirable work environment at offices by providing sufficient work space, and maintaining appropriate working atmosphere, lighting and temperature conditions.

In order to protect the rights of our employees regarding workplace health and safety, injuries or illnesses, the Group complies with the Social Security Regime (Law No. 4/2010) and the Employee's Compensation Insurance Ordinance. The law and ordinance underline the Group's obligation to participate and contribute to mandatory social security funds, as well as to obtain compulsory industrial accident insurance for employees. We also establish our employees' rights to compensation in respect of occupational accidents and diseases. Currently, we rely on our employees to report any health and safety hazards, injuries or illnesses they experience at work.

As our business operation is largely dependent on the productivity of our subcontractors, the Group is highly concerned with the health and safety of the on-site workers. We comply with the Regulation on Construction Safety and Health, as well as the Regulation of Hygiene and Work Safety of Civil Construction (Decree Law No. 44/91/M). The regulations contain technical procedures that subcontractors are advised and expected to observe and follow, with an aim to protecting the health of their on-site workers and maintaining proper working conditions. Specifically, subcontractors are required to maintain machinery plant, gondola and confined space safety, as well as to ensure vibration protection are set in place. In addition, all civil workers in Macao are required to obtain the "Construction Safety Card" issued by the Labour Affairs Bureau in order to work at construction site.

With a view to guaranteeing the safety of persons and goods in the event of a fire breakout, the Group follows a set of rules outlined by the Fire Prevention Regulation (Decree Law No. 24/95/M) in regulating the design, preparation and execution of our construction projects. It also provides guidance on the adequate installation, proper placement and marking of fire-extinguishing equipment at offices.

Through careful inspections and enforcement, the Group did not receive any reported work-related injuries or violations relating to health and safety during the Reporting Period.

Training and Development

As the development of a company mirrors the growth of its employees, we place importance in the continuous professional development among our employees. Since our Macau offices are newly set up, we did not arrange and provide any training and development sessions for our employees in this Reporting Period.

Moving forward, the Group shall dedicate to provide employees the opportunities to improve their skills and knowledge. We look forward to incorporating training programmes that would optimise their performance and allow them to advance in their career development. In addition, the Group may set up guidelines and require its subcontractors to provide induction sessions and safety trainings for their on-site workers before their commencement of work at the Combined Site or other construction sites.

Labour Standards

In order to uphold human rights as a means to achieve sustainable development, the Group is committed to avoiding and forbidding child or forced labour in our operations by complying with relevant laws and regulations. During the recruitment processes and prior to hiring of all personnel within the Group, identity and background checks are mandatorily conducted.

The Group operates under the Law of Hiring Non-Residents Workers (Law No. 21/2009, amended as Law No. 4/2013), in which we are responsible to obtain working permits for foreign workers within our operations at Macau offices, as well as to require our subcontractors to obtain relevant permits for foreign on-site workers. We also strictly comply with the Regulation on Prohibition of Illegal Work (Ordinance No. 17/2004), where workers other than Macau residents or holders of working permits will be considered illegal. Consistent measures are taken out against illegal workers, who will be subjected to an administrative fine.

During the Reporting Period, the Group is not aware of any non-compliance cases in relation to child labour, forced labour, or illegal workers within its operations.

Our Community

As a property developer and investor, we understand that the decision we make on the design and construction of the buildings at the Combined Site will directly impact the surrounding neighbourhoods. Hence, we aim to incorporate community and environmental values into the design of the Combined Site, in order to fulfil local needs and to attain sustainable development.

During the stage of project planning, we responded to the needs to enhance connectivity with the existing Macao city by dedicating significant portions of the area of the Combined Site to public use. The mixed-use development design of the public space also includes leisure elements for community enjoyment. In addition, we incorporate green elements and landscapes that enhance the habitability and comfort of the area.

In order to introduce elements of public health and wellness into the design of Combined Site, the Group adheres to the Law on the Prevention and Control of Environmental Noise Pollution (Law No. 8/2014). The law requires subcontractors to adopt mitigation measures to minimise noise during construction, in order to protect the health and tranquility of the surrounding community.

Moving forward, the Group shall engage more actively with not only the surrounding community, but the city of Macao as a whole. To achieve sustainable development as a responsible corporate citizen, it shall participate in or organise activities or events such as community investment or volunteering opportunities that generate and accumulate community value.

ESG Performance Table

Key Performance Indicators (KPIs)	Unit	The Group	Office (Macau)
Environmental			
GHG Emissions (Scope 1 + 2)	tCO ₂ e ⁻	162.940	18.023
GHG Emission Intensity by Area	tCO ₂ e ⁻ / m ²	N/A	0.108
Energy Usage	MJ	1,227,374.528	77,426.153
Electricity Usage	kWh	198,644.824	21,507.265
Petroleum Usage	Litre	15,254.710	N/A
Energy Intensity by Area	MJ / m ²	N/A	463.005
Social			
Total Workforce	Person	N/A	5
Workforce by Gender			
Male	Person (%)	N/A	2 (40%)
Female	Person (%)	N/A	3 (60%)

ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	Relevant Chapter, Reference Page(s) or Explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment – Emission Management, Waste Management, Resources Management (p. 11-14)
KPI A1.1	The types of emissions and respective emissions data.	Our Environment – Emission Management (p.11-12)
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Emission Management, ESG Performance Table (p.12, 19)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group did not produce any hazardous waste in this Reporting Period.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Due to the absence of monitoring system, the amount of non-hazardous waste generated at the offices is not recorded in this Reporting Period.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environment – Emission Management (p. 11-12)
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment – Waste Management (p. 12-13)
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment – Resources Management (p. 13-14)
KPI A2.1	Direct and / or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment – Resources Management, ESG Performance Table (p. 13, 19)

KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water is supplied by the property management company of the building and is included as part of the management fee. Thus, the Group did not record water consumption in this Reporting Period.
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environment – Resources Management (p. 13-14)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our Environment – Resources Management (p. 13-14)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not produce any finished products, thus did not consume any packaging material in this Reporting Period.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Our Environment (p. 11-14)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment (p. 11-14)
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People – Employment (p. 15)
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	ESG Performance Table (p. 19)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	N/A

Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People – Health and Safety (p. 16)
KPI B2.1	Number and rate of work-related fatalities.	The Group recorded zero work-related fatality case in this Reporting Period.
KPI B2.2	Lost days due to work injury.	The Group recorded zero work injury case, resulting in zero lost day.
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People – Health and Safety (p. 16)
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People – Training and Development (p. 17)
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Other than professional training requirements as required by individual employees and directors, the Group did not arrange and provide any training and development sessions for employees in this Reporting Period.
KPI B3.2	The average training hours completed per employee by gender and employee category	Other than professional training requirements as required by individual employees and directors, the Group did not arrange and provide any training and development sessions for employees in this Reporting Period.
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People – Labour Standards (p. 17)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People – Labour Standards (p. 17)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A

Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Operation – Supply Chain Management (p. 7)
KPI B5.1	Number of suppliers by geographical region.	N/A
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Operation – Supply Chain Management (p. 7)
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Operation – Product Quality Assurance (p. 8-9)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	The Group did not receive any products and service-related complaints.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Operation – Business Conduct (p. 10)
KPI B6.4	Description of quality assurance process and recall procedures.	Our Operation – Product Quality Assurance (p. 8-9)
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Operation – Product Quality Assurance (p. 8-9)
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Operation – Business Conduct (p. 10)
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	The Group was not involved in any legal cases regarding corrupt practices brought against the issuer or its employees in this Reporting Period.

KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Operation – Business Conduct (p. 10)
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community – (p. 18)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community – (p. 18)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	N/A