



# China Star Entertainment Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 326

## 2019

## Environmental, Social and Governance Report

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## About This Report

China Star Entertainment Limited (hereinafter referred to as the “Company” or “China Star”, together with its subsidiaries, the “Group”), is pleased to present its fourth standalone Environmental, Social and Governance (“ESG”) Report (the “Report”). This Report fulfils the requirement of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This Report communicates the Group’s sustainability vision, initiatives, policy and performance, which we see as complementary to our 2019 Annual Report. All information is compiled and published based on existing policies or practices, and official documents or reports.

This Report focuses on the Group’s operations that contribute to material ESG impacts, including property investment and development in Macau, restaurant operations in Hong Kong, as well as our offices in Hong Kong and Macau. Unless otherwise specified, this Report covers the financial year from 1 January 2019 to 31 December 2019 (the “Reporting Period”). This Report complies with the “comply or explain” of the ESG Reporting Guide, and adheres to the following Reporting Principles:

Materiality	The issues that are most significant to the Group in terms of its environmental and social impacts are considered material, hence discussed in this Report. This Report is structured based on the materiality of respective sustainability issues as assessed and identified by the board of directors (the “Board”) of the Company. The Board and the management will regularly review these sustainability issues in order to ensure that such issues align with and are being addressed in our sustainability strategy.
Quantitative	Relevant information and data for each business operation are limited to material environmental and social aspects and key performance indicators (“KPIs”) for this Report. It discloses material environmental and social KPIs of the headquarter office in Hong Kong and for the first time, its new established restaurant. Since the Group is not directly involved in the construction operations of its property development and investment project in Macau, we do not exert direct control over its environmental and social performance. Therefore, relevant environmental and social KPIs are limited to the Macau office.
Consistency	This Report is prepared with consistency in terms of methodology with previous years, which is in accordance with the Stock Exchange’s ESG Reporting Guide. For factors leading to meaningful comparison in specific KPI(s), please refer to the section “Performance Data Summary”.

We welcome reader feedback on the Report and our approach to sustainability. Please share your views with us at [mail@chinastar.com.hk](mailto:mail@chinastar.com.hk). For further information regarding our corporate governance and financial performance, please refer to our 2019 Annual Report.

## About China Star

The Group is principally engaged in three business segments - film related business operations, property development and investment operations, and restaurant operations during the Reporting Period. Reflecting a diversified business profile, the Group is involved with different business activities, which is composed of different markets that exert different degrees of environmental and social significance.

### Film Related Business Operations

This business segment retains the longest history since the Group's establishment in 1992. It mainly includes the investment, production, distribution and licensing of films and television drama series, as well as the provision of film related services, including artist management services.

The Group has released its latest production, "Chasing Dream" during the Reporting Period, which received positive ratings from the film industry. Storyboards for a few television drama series have been prepared for further feasibility assessments. Following the outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020, preparations for film productions have halted. The Group is not participating in any film shootings at the moment. The external impacts have marked a challenging time for Hong Kong's film industry. Nevertheless, we will continue to pay close attention to the development of the outbreak of COVID-19 pandemic and evaluate its impact towards our film operations.

### Property Development and Investment Operations

The Group currently has two projects under development in Macau, namely (i) Lot C7 do Plano de Urbanizacao da Baia de Praia Grande, located in the Nam Van Lakes Zone, at Avenida Doutor Stanley Ho, registered with the Macau Land and Real Estate Registry under no. 23070 (the "Property C7"); and (ii) the combined site at Lot 6C, Lot 6D and Lot 6E at Zona de Aterros do Porto Exterior, Macau, which is tentatively named as "Tiffany House" (the "Project Tiffany House").

With a site area of 4,669 square meters, Property C7 is intended to be developed for residential and parking purposes. A development plan of the Property C7 in accordance with the parameters for submission to the Land, Public Works and Transport Bureau of Macau is in the process of compilation. The development of this property is expected to start after the completion of the Project Tiffany House.

Project Tiffany House is located adjacent to the Macao Polytechnic Institute and next to the Golden Lotus Square, which is a couple of blocks away from the Macau Fisherman's Wharf and the Sands Casino. It involves the development of a luxury residential and commercial complex of two towers, with units ranging from studio flats to four-bedroom apartments as well as special units. The clubhouse will feature a wide range of facilities and the retail space at the podium will become a major shopping arcade in the neighbourhood.

The Group has obtained an occupational permit for its Project Tiffany House in December 2019. The combined site with a total gross floor area of approximately 47,000 square metres (m<sup>2</sup>), the Project Tiffany House is now under interior renovation. We expect to launch the properties for sale to the

market in the fourth quarter of 2020. Upon completion of renovation, the neighbourhood will be greatly enhanced, providing its residents with a unique living and shopping experience.

### Restaurant Operations

Given our previous experience in the catering industry in Hotel Lan Kwai Fong Macau, the Group aspires to expand our business scope to catering services in Hong Kong. Accordingly, during the third quarter of the Reporting Period, the Group has opened a new café at our owned property in Sheung Wan, Hong Kong.

Located in the central business district, the restaurant serves various high-end international cuisine under the brand name of “Obba Bar”. We hope to deliver high quality food, a luxury ambience, and a joyful dining experience at affordable prices to our customers.

## Sustainability at China Star

To enable the pursuance of sustainability and enhance our efforts in managing ESG-related issues, the Group has regularly reviewed its internal sustainability-related policies and established sustainability strategy. We aspire to strengthen our customer base and financial standing, whilst simultaneously managing and enhancing our environmental and social performance.

The Board is dedicated to improving our ESG Reports and disclosing the Group's ESG performances annually in an accurate, responsible and transparent manner. The Board and the management will also continuously review our policies and maintain close communications with our stakeholders, so that their ESG-related concerns are addressed and managed in an appropriate manner.

### Sustainability Strategy

The Group is committed to embedding the concept of sustainability into every facet of our business by developing a comprehensive sustainability strategy. It is developed with aims to promote sustainable practices and deliver environmental, social and economic value across different arenas of our businesses. This has been reviewed and confirmed by the Board during the Reporting Period.

Our Operations	<ul style="list-style-type: none"><li>● Enhance service strength to continuously improve quality assurance</li><li>● Collaborate with our supply chain partners in improving sustainability performance</li><li>● Respect and safeguard our customers</li><li>● Operate under high standards of governance, transparency and integrity</li></ul>
Our Environment	<ul style="list-style-type: none"><li>● Evaluate our emissions and resource usage periodically</li><li>● Explore opportunities to improve environmental performances</li><li>● Promote awareness towards environmental protection</li></ul>
Our People	<ul style="list-style-type: none"><li>● Promote a safe and healthy work environment and culture</li><li>● Uphold the principles of fairness and equality in employment</li><li>● Care for and provide professional staff training in assisting their career development</li></ul>
Our Community	<ul style="list-style-type: none"><li>● Support causes and initiatives that create positive impact and promote social harmony</li></ul>

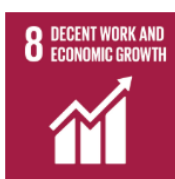
## Aligning our Sustainability Approach with UNSDGs

In 2015, the United Nations (“UN”) introduced 17 Sustainable Development Goals (“SDGs”). The global sustainability agenda encourages entities to take positive action in areas such as health and well-being, environmental protection and community development. The Group acknowledges and supports the international sustainable development agenda and has identified five SDGs that are relevant to the Company’s strategic development.



### Goal 3: Good health and well-being

Good health is essential to sustainable development. China Star encourages good health and well-being among all its stakeholders, including its customers, staff, environment and community at large.



### Goal 8: Decent work and economic growth

This SDG promotes sustained economic growth and high productivity. To this end, China Star has expanded its business scope to catering services during the Reporting Period. We have always kept in mind to achieve productive employment and decent work with equality.



### Goal 11: Sustainable cities and communities

To build a more sustainable city and communities, China Star focuses on maintaining a good management system. We also promote concepts of sustainability to its stakeholders, and help implement sustainable initiatives within its sphere of operational influence.



### Goal 12: Responsible consumption and production

To reduce our ecological footprint and support sustainable practices, effective management of our resources and the way we dispose of waste and pollutants are important in China Star’s operations.



### Goal 16: Peace, justice and strong institutions

Sustainable development requires peace, stability, human rights and effective governance, based on the rule of law. China Star is committed to legal compliance and working with management and regulatory bodies to build strong corporate governance and business ethics.

## Engaging Stakeholders

With the goal to strengthen its sustainability strategy and practices, the Group strives to maintain close relationships with our stakeholders through regular engagement. We also communicate closely with groups that provide guidance to regulate and enhance our performance. We highly value their feedback on our sustainability efforts, which allows us to maintain a good understanding of their views and expectations, as well as to help identify improvement opportunities.

Our Key Stakeholders	Key Engagement Channels
Shareholders/ Investors Staff Customers Suppliers Financial Institutions Regulatory Bodies	Annual and Interim Reports General Meetings Announcements and Circulars Performance Appraisals Notice Boards Regulatory Checks Correspondences Internal Announcements General Customer Service Communications Site Visits



## Our Operations



As a company with a diversified business profile, we regard a multi-pronged approach essential in helping us solidify the foundation of sustainable development that supports our business in the long run. We strive to display commitment towards delivering high quality product and service, maintaining close relationships with our suppliers, as well as conducting our everyday businesses with honesty and integrity.

### Product and Service Quality

#### **Property Development and Investment Operations**

Relying on the expertise of our working team and supply chain partners in the Project Tiffany House, the Group dedicates stringent efforts in project management and supervision. The project incorporates sustainability elements for a touch of community harmony and cohesiveness. Among the buildings of the Project Tiffany House, our residential and commercial complex of two towers have attained International Grade “A” Quality.

#### **Legal Compliance**

The product quality we deliver holds a significant impact on its overall ESG performance. Thus, it is of utmost importance to ensure the Project Tiffany House is under steady progress and the construction work is executed with standardised quality. All our interior fitting out works and construction works comply with relevant laws and regulations. They commenced only after receiving project approval and licenses obtained from the Land, Public Works and Transport Bureau of Macau. For more information about relevant laws and regulations, please refer to section “Laws and Regulations Compliance”.

#### **Project Management and Supervision**

We continued to cooperate closely with our subcontractor’s project management team on the overall control of the project during the Reporting Period. This includes quality and design management, marketability and commercial viability, risk management, as well as communication with key stakeholders for smooth and timely project execution. On a weekly basis, the Quality Assurance Team and Work Safety Team conducted regular meetings to evaluate the work progress, safety, quality and environmental conditions of the construction project. They will also monitor the schedule, quality and budget throughout the whole project on a monthly basis.

#### **Incorporating Sustainable Elements**

Considerable efforts are dedicated to minimise potential environmental impact, including air quality, noise, water quality, waste, ecology landscape and visual impact during construction. Throughout the

project planning and design stages, we engaged closely with the Environmental Protection Bureau of Macau and other related government departments.

Upon various meetings, all parties agreed that the Project Tiffany House shall foster the design of an environmentally friendly, commercially viable and socially sustainable mixed-use complex. In order to foster such elements, the project incorporates green landscape planning and design to enhance visual elements. For instance, we design facade systems and select materials that carry minimal adverse impact. We also dedicate a portion of space for public use, to improve connectivity with the surrounding neighbourhood.

### **Restaurant Operations**

In the context of fast-changing customer needs and expectations in the food and beverage industry, Obba Bar strives to deliver caring and attentive service, a cosy dining experience with delightful food choices. The restaurant conducts periodical assessment of our services to ensure that we stay ahead in meeting customers' expectations and to continually improve our food and service quality. We also operate according to the Guidelines on Operation and Internal Control (the "Guidelines") that provides guiding principles and standards for restaurant operation and management.

### **Delightful Dining Experience**

In order to meet market trends and cater to customers with different needs and tastes, we constantly review and enhance our menus and ingredient choices. Obba Bar offers a wide variety of dining options, ranging from prime steak and grill, to green and clean veggie burger bites for individuals who lean towards reducing their carbon impact on the planet by consuming less meat.

With the increasing popularity of e-payment, Obba Bar has incorporated various e-payment platforms including Alipay, Wechat pay, Apple pay, and Android pay, to make dining at Obba Bar more convenient. Located in a central business district, we offer substitution for dining in a restaurant by collaborating with a Food Delivery app ("FDA"), Foodpanda. Customers can place and get their orders delivered simply on their mobile phones.

### **Customer Service and Feedback**

Obba Bar values our customers and commits to delivering a pleasant dining experience. We believe joint efforts from both the management and staff allow us to meet customers' expectations. Thus, we encourage effective communication between staff. Hosted by the manager, the restaurant conducts daily briefing before opening, on issues such as incoming food supply of the day, menu refinement, customer feedback, and areas for improvement. Both kitchen and frontline staff are expected to follow the Guidelines. Frontline staff shall ensure limited wait times, or inform customers about the reason for delay otherwise.

We welcome customers' compliment, complaints and suggestions, which allows us to enhance customer experience on aspects, including food quality, waiters' attitude and dining environment. With the availability of social media, we are able to keep in touch with our customers via Facebook and Instagram. Whenever we receive customers' complaints, the manager will order an investigation and maintain communication with the customer in order to identify solutions in the easiest way possible. All incidents and corrective actions will be recorded and discussed during the daily briefing.

### **Food Quality and Safety**

Obba Bar considers food quality and hygiene standards fundamental to safeguarding the safety of our food products and health of our customers. We are committed to maintaining the reliable and consistent quality of food that we supply at Obba Bar. To fulfil our social corporate responsibility and create a healthy and safe dining experience, the restaurant is committed to the safety control and quality standard of incoming food products, as well as eliminating all underlying risks to customers' well-being during food processing and preparation.

To this end, food processing adheres to stringent industry standards and all relevant laws and regulations. All food produce is procured by the restaurant's executive chef after assessment and approval from the manager, based on cost and seasonality. The manager will inspect the incoming procedures and ensure the quality of food source. We pay attention to cleanliness, hygiene and quality control in the production area. In ensuring that the use, processing, storage and transportation of all items and materials are up to par, we regularly review and maintain our air-conditioning system. We also closely monitor the defrosting, goods dispatch and food preparation process to ensure quality control for all freshly prepared food. Staff can also familiarise with the standard procedures as outlined in the Guidelines.

Amid the COVID-19 pandemic, we prioritise customers' health and safety when dining at Obba Bar. Upon entering the restaurant, all personnel are required to wear a medical mask and take body temperature. We also distribute sealable plastic bags to store their masks while dining in.

## Supply Chain Management

China Star adopts a balanced consideration of cost, quality, product diversity and environmental impacts when sourcing supplies that support our business operations. We regularly engage with our suppliers to maintain mutually understanding and beneficial partnerships.

Our major supply chain partners in the Project Tiffany House consist of building consultants, landscape planners and subcontractors, whose duties are briefly detailed below:

Building Consultants	<ul style="list-style-type: none"><li>● Provide services in quantity surveying and building cost planning</li><li>● Advise on preliminary building cost, contracting, tendering and valuation</li></ul>
Landscape Planners	<ul style="list-style-type: none"><li>● Monitor the design process</li></ul>
Subcontractors	<ul style="list-style-type: none"><li>● Carry out, supervise and complete the main contract works</li></ul>

To this end, we strive to procure based on the principle of fairness by following a set of stringent tendering procedures:

1. Conduct research and assessment among all new tenders prior to the commencement of tendering process
2. Evaluate companies based on records regarding their work quality, product knowledge as well as reputation in timeliness, customer service and safety
3. Ensure suppliers are aware of the requirement as set out in the Tender Documents before they submit the technical information, programmes, drawings and preliminary samples during tender assessment stage

Among existing suppliers:

1. Conduct regular assessment and performance review to closely monitor their work progress and overall ESG performance, including environmental and health and safety aspects
2. Ensure the quality of work is executed with consistency, as well as in compliance with relevant local laws and regulations

Suppliers of Obba Bar, who are all local resellers, are assessed by our stringent food quality requirements. The restaurant manager conducts product research and assessment among three potential suppliers, and selects the supplier based on cost quotes. All our suppliers are license holders approved by the government. For imported goods and raw materials, they are required to comply with food labelling, hygiene and sanitary regulations. They are also required to obtain and submit relevant food and product safety certificates, as well as the results of laboratory tests of their goods, whenever necessary.

## Business Ethics

### Anti-Corruption

China Star upholds a high level of integrity and does not tolerate any form of misconduct, corruption, bribery, money laundering activities or unethical behaviour. We require all our staff to comply with the ethical standards, company values, and laws and regulatory requirements outlined within our Staff Handbook. Staff are abstained from engaging in bribery activities or any activities which might exploit their positions against the Group's interests.

Staff are also reminded of the importance to raise matters of concern without fear of retribution. Therefore, we encourage reporting of workplace malpractice by devising a safe and confidential whistleblowing channel. In time when any suspicious business activities or alleged unlawful acts involving corruption are witnessed, staff shall inform the management via the available channel.

### Data Privacy

We emphasise the importance to manage and protect the data of all personnel within the Group. As illustrated in the Staff Handbook, all information collected, including during the recruitment processes, is secured confidentially and is made accessible only to appointed personnel after authorisation. We strictly prohibit the provision of private information to any third party without 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.

We also pay great respect to intellectual property, including patents, trademarks, service marks, registered designs, trade and business names, copyrights, rights in designs and inventions, and other proprietary rights, whether registered or unregistered. We obtain authorisation and all necessary licensing agreements and adhere to all applicable terms of use prior to utilisation of any properties.

## Our Environment



Climate change and environmental deterioration are some of the global challenges faced by all of us. While natural resources are essential to support our business operations, China Star is committed to addressing these issues by taking mindful steps in minimising adverse impact imposed on the environment. To this end, we strive to evaluate our emissions through tracking relevant records on a yearly basis, identify opportunities to enhance our performance, and strengthen our ability to improve resource efficiency.

### Emissions Control

China Star acknowledges the direct repercussions the environment has on the society's health, well-being and productivity, and our responsibility to manage the environmental impact caused by our operations. We endeavour to manage our GHG emissions through gaining a better understanding of our emissions pattern.

We require our Project Tiffany House subcontractors to abide by local laws and regulations in the controlling of pollutants emission. Dust control measures and proper maintenance of equipment are implemented at the operation site. For better prevention and control of noise nuisance, we comply with local laws and regulations and follow relevant guidelines closely:

1. All modification, maintenance and repair works that generate disturbing noise will only be conducted during periods from 9AM to 7PM on Mondays to Saturdays, and will not be conducted on Sundays and Public Holidays
2. A minimal 200-metre distance is maintained, away from residential buildings for all civil works that require the use of mobile or fixed mechanical equipment

During the Reporting Period, GHG emissions mainly derive from combustion of gas for food processing, fuels for vehicle transportation, and generation of purchased electricity. The quantification methodology is based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong 2010 established by the Environmental Protection Department and Electrical and Mechanical Services Department of the HKSAR. Relevant emission factors are referenced from specific power companies.

## Waste Management

The Group is mindful to operate as a responsible citizen. We comply with relevant local laws and regulations relating to waste, and strictly prohibit our subcontractors of Project Tiffany House and staff at Obba Bar from leaving wastes in public spaces. In daily office operation, we are committed to operating a paperless office by engaging our staff with waste reduction initiatives:

1. Adopting electrification that replaces the use of papers for communication
2. Using double-sided paper in printing for internal usage to reduce paper consumption
3. Purchasing new stationery, office furnitures and electronic appliances only when necessary

The Group acknowledges the importance to reduce waste loads in our operations and strives to minimise nuisance caused by discharges into water and land. We encourage our staff to separate their waste for recycling, through initiatives to practise waste sorting in the office buildings, as well as setting up respective recycling containers at Obba Bar. It is then collected by a licensed third party for further handling, recycling and disposal. Different types of waste are sorted and separated, as shown below:

Office(s)	Obba Bar
<p>Waste paper</p> <p>Plastic</p> <p>Metals</p>	<p>Food waste</p> <p>Canned containers</p> <p>Plastic bags</p> <p>Plastic bottles</p> <p>Used cooking oil</p>

During the Reporting Period, the Group generated certain amounts of non-hazardous domestic waste and solid waste (mainly commercial and kitchen wastes). Obba Bar has generated about 112 kg of cooking oil during the Reporting Period. The restaurant will consider expanding the scope of the waste management system by keeping records of other wastes moving forward.

## Resource Efficiency

The Group strives to seek measures to optimise energy performance and improve water management through collection and analysis of environmental data on an annual basis. To minimise resource usage at our offices, we follow our green procurement policy to purchase refillable ball pens, share electronic documents to reduce printing and faxing. We also encourage our office staff to follow guidelines in protecting the environment, including:

1. Switching off all electronic appliances, including air-conditioning system, computers, printing and fax machines whenever not in use
2. Pre-setting the minimum temperature of air conditioners at 25°C during office hours
3. Maintaining the ventilation system on a regular basis to ensure indoor air quality
4. Using LED lighting to enhance energy efficiency and cost effectiveness
5. Placing water-saving posters at the lavatories to encourage water conservation practices

At Obba Bar, water-saving signs are posted in the kitchen area to remind our staff to minimise water usage for food preparation and dishwashing. The restaurant also conducts monthly air-conditioner maintenance work to enhance the system's optimal operations and longevity. Maintenance work includes checking, cleaning and adjusting performed by a professional licensed third party, commissioned and monitored by Obba Bar.

We examine opportunities to reduce the use of takeaway disposable goods, including plastics, packaging and paper cups. Among our efforts to minimise negative environmental impact, Obba Bar participates in various campaigns that encourage usage reduction of single-use plastic among customers. For instance, we reinforce the promotion of "Say No to Straws" organised by Ocean Park Conservation Foundation. Instore promotion materials are placed at noticeable areas.



## Our People and Community



We aspire to create a supportive environment for our staff, who form the core to China Star's sustainable business growth. To this end, their health and safety remain a priority. Through providing various employment incentives as a fair and just employer, assisting them to achieve their career aspirations, as well as to uphold human rights across our operations, we make sure our staff feel safe and cared for at work.

### Occupational Health and Safety

Utmost emphasis is placed on our staff's health and safety, which involves the prevention of harm, and promotion of well-being. To maintain a safe, hygienic and environmentally- friendly workplace condition for our staff, the Group has the Staff Handbook in place to ensure occupational health and safety initiatives are fully integrated into our daily operations. We maintain good ventilation, appropriate lighting and temperature conditions at our offices, and the restaurant. All our staff are covered by relevant medical insurance, in case of workplace injuries or illnesses.

All subcontract on-site workers at our Project Tiffany House are Construction Safety Card holders, issued by the Labour Affairs Bureau. The issuance ensures all on-site workers possess required health and safety knowledge in order to work at construction sites. They are also expected to observe and follow the technical procedures detailed in relevant laws and regulations when carrying out duties. Our subcontractors also maintain machinery plant, gondola and confined space safety on a regular basis, as well as ensure vibration protection is set in place.

Staff are provided with safety equipment and are required to put on personal protective equipment when preparing food orders at Obba Bar. Brooms and mops are constantly used to clean the kitchen floor, dining and outdoor areas to avoid wet and slippery floors caused by spraying water. First-aid kit is supplied in the restaurant in the unlikely event of an accident. Electric stoves are used to prepare food at the kitchen, which eliminates the danger of a possible fire outbreak.

Amid the COVID-19 pandemic, our Obba Bar staff are required to take body temperature when entering the restaurant area, which is recorded in a record form. We provide disinfectant and remind them to apply frequently, whenever necessary. We also communicate relevant case studies and other information updates among our staff through daily team briefing, internal emails, newsletters and wall posters to promote safety awareness when providing catering services.

## Employee Well-being and Development

### Talent Recruitment and Retainment

Attracting and retaining competent staff is essential to China Star's long-term prosperity. The Group's recruitment process ensures candidate selection is based on fair, respectful and open competition. We respect and safeguard the fundamental rights of our people by offering a discrimination-free and equitable workplace regardless of gender, age, ethnicity, and other aspects of diversity. We adopt a zero-tolerance policy in relation to any workplace discrimination, harassment or vilification of any type, including sexual, disability and race.

Competitive remuneration packages and employment benefits are offered among our staff as stated in the Employment Contract. They are entitled to life, medical and dental insurance benefits. In addition to basic paid annual leave and statutory holidays as stipulated by applicable laws and regulations, our staff are entitled to leave benefits such as marriage leave, maternity leave, family leave and compassionate leave.

The Group's annual performance appraisal is conducted by our head of department. Staff of general to intermediate grade are assessed and graded based on performance, mental and personal characteristics. For senior grade staff, they are assessed based on supervisory characteristics in addition to the three aforementioned characteristics. The appraisal combines the quantitative score and qualitative comments, where the head of department suggests recommendations for improvement, as well as salary adjustment for the Vice Chairman's approval.

### Training and Development

As the development of China Star mirrors the growth of our staff, we emphasise the importance of their continuous professional development. We aim to develop competency and skills of our staff that support their career and personal growth. During the Reporting Period, one of our senior staff has participated in more than 20-hour Accounting and Taxation seminar and e-seminar. The seminar covered the latest updates on listing rules related to accounting and taxation. The Board also underwent inhouse training and seminar session regarding the latest update of regulatory requirements.

Customer service training is vital for our frontline staff at Obba Bar. We strive to strengthen their service skills by guiding them to display satisfactory customer service and problem-solving attitudes under different circumstances. Before commencement of restaurant operation, all staff are required to complete a two-week training with emphasis on customer service, kitchen operation, and food hygiene. The restaurant is planning to train our internal staff to become Hygiene Officers to supervise kitchen operation. The training details and content are currently under preparation by the restaurant manager.

## Labour Standards

In order to uphold human rights, we prohibit any illegal form of employment, including child labour, underage workers, and forced labour. During recruitment and prior to hiring of all personnel into the Group, China Star conducts identity verification on all job applicants. They are required to provide valid documents to ensure they are lawfully employable. We required our subcontractors to obtain working permits for all foreign on-site workers in the Project Tiffany House. We also monitor and enforce compliance to relevant laws and regulations in combating forced labour employment.

## Linkage between Development and Social Harmony

China Star is committed to constructing a sustainable and harmonious neighbourhood through its business operations. By incorporating community, leisure and environmental values into the Project Tiffany House, we hope that opening of public space benefits not only our residential and commercial guests, but the whole community at large.

## Laws and Regulations Compliance

Group-wide compliance with relevant laws and regulations is important for China Star to operate as a responsible corporate citizen. In order to safeguard the well-being of our shareholders, customers, staff, suppliers, as well as the environment and community where we operate in, the Group strives to communicate closely with all our staff to ensure their awareness and adherence to all applicable laws and regulations, as well as changes to existing legislation. The following list details the relevant laws and regulations that have a significant impact on our operations in Hong Kong and Macau during the Reporting Period:

### Our Operation

#### Applicable in Hong Kong:

- Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong)
- Public Health and Municipal Services Ordinance (Cap. 132 of the Laws of Hong Kong)
- Food and Drugs (Composition and Labelling) Regulations (Cap.132W of the Laws of Hong Kong)
- Trade and Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)
- The Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)
- The Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)

#### Applicable in Macau:

- General Construction Works Regulation (Decree No. 79/85/M)
- Urban Planning Law (Law No. 12/2013)
- General Regulation of the Public Spaces (Ordinance No. 28/2004)
- Personal Data Protection Law (Law No. 8/2005)
- Anti-Money Laundering Law (Law No. 2/2006)
- Prevention and Suppression of Bribery in the Private Sector, stipulated in the Penal Code and the Penal Procedure Code of Macau

### Our Environment

#### Applicable in Hong Kong:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)

#### Applicable in Macau:

- Environmental Law (Law No. 2/91/M)
- Prevention and Control on Environmental Noise (Decree No. 54/94/M)
- Legal Regime of Noise at Work (Decree no. 34/93/M)

## Our People

### Applicable in Hong Kong:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)
- Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)

### Applicable in Macau:

- Macau Labour Relations Law (Law No. 7/2008)
- Social Security Scheme (Law No. 4/2010)
- Regulation on Prohibition of Illegal Work (Ordinance No. 17/2004)
- Law of Hiring Non-Residents Workers (Law No. 21/2009)
- General Regulation of Working Safety and Hygiene of Office, Service and Commercial Establishment (Decree No. 37/89/M)
- Regulation of Hygiene and Work Safety of Civil Construction (Decree No. 44/91/M)
- Fire Prevention Regulation (Decree No. 24/95/M)
- Legal Regime of Compensation of Damages Caused by Industrial Accidents and Occupational Diseases (Decree no. 40/95/M)

## Performance Data Summary

Key Performance Indicators (KPIs)	Unit	Offices (Hong Kong)	Obba Bar <sup>1</sup> (Hong Kong)	Offices (Macau)
<b>Environmental<sup>2</sup></b>				
GHG Emissions (Scope 1)	tCO <sub>2</sub> e <sup>-</sup>	27.17	N/A	N/A
GHG Emissions (Scope 2)	tCO <sub>2</sub> e <sup>-</sup>	74.24	30.34	26.23
GHG Emissions (Scope 3)	tCO <sub>2</sub> e	N/A	0.04	N/A
Total GHG Emissions (Scope 1-3)	tCO <sub>2</sub> e	101.40	30.38	26.23
GHG Emission Intensity by Revenue <sup>3</sup>	tCO <sub>2</sub> e <sup>-</sup> / HK\$'000	0.02		
GHG Emission Intensity by Area	tCO <sub>2</sub> e <sup>-</sup> / m <sup>2</sup>	0.07	0.39	0.07
Electricity Usage	kWh	106,848.44	37,459.80	29,707.09
Petroleum Usage	Litre	10,212.84	N/A	N/A
Total Energy Usage	MJ	727,601.52	134,855.29	106,945.51
Energy Intensity by Revenue	MJ / HK\$'000	137.45		
Energy Intensity by Area	MJ / m <sup>2</sup>	465.10	1,707.03	294.68
Water Usage	m <sup>3</sup>	N/A	60.00	N/A
Water Usage Intensity by Area	m <sup>3</sup> / m <sup>2</sup>	N/A	0.76	N/A
Cooking Oil Disposal	kg	N/A	112	N/A
<b>Social</b>				
Total Workforce	Person	43	8	13
<b>Workforce by Gender</b>				
Male	Person	17	6	7
Female	Person	26	2	6
<b>Workforce by Employment Level</b>				
Senior level	Person	17	2	0
Intermediate level	Person	11	3	4
General Level	Person	15	2	9

<sup>1</sup> The GHG Emissions (Scope 3) due to electricity used from processing fresh water and sewage by government departments is calculated from available water bills of the first two quarters.

<sup>2</sup> All figures have been rounded up to 2 decimal places, unless otherwise specified.

<sup>3</sup> The total revenue of the Group is recorded at approximately HK\$ 7,053,000 for the financial year 2019.

## HKEx ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>A. Environmental</b>		
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 - Emissions Control, Waste Management, Resource Efficiency, and Laws and Regulations Compliance
KPI A1.1	The types of emissions and respective emissions data.	Our Environment - Emissions Control, and Performance Data Summary
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 - Emissions Control, and Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment - Waste Management, and Performance Data Summary
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 and Obba Bar are not recorded.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environment - Emissions Control
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment - Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment - Resource Efficiency
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 - Resource Efficiency, and Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment - Resource Efficiency, and Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environment - Resource Efficiency

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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 - Resource Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the absence of monitoring system, the amount of packaging material used for finished products used at Obba Bar is not recorded.
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment - Emissions Control, Waste Management, Resource Efficiency
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 - Emissions Control, Waste Management, Resource Efficiency
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
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 and Community - Employee Wellbeing and Development, Labour Standards, and Laws and Regulations Compliance
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People and Community - Employee Wellbeing and Development, and Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	N/A
<b>Aspect B2: Health and Safety</b>		
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 and Community - Occupational Health and Safety, and Laws and Regulations Compliance



Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI B2.1	Number and rate of work-related fatalities.	The Group recorded zero work-related fatality case during the 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 - Occupational Health and Safety
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 and Community - Employee Wellbeing and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People and Community - Employee Wellbeing and Development
KPI B3.2	The average training hours completed per employee by gender and employee category	Our People and Community - Employee Wellbeing and Development
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 and Community - Labour Standards, and Laws and Regulations Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People and Community - Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People and Community - Labour Standards
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
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

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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 and Service Quality, Business Ethics, and Laws and Regulations Compliance
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 services related complaints.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Our Operation - Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	Our Operation - Product and Service Quality, Supply Chain Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Operation - Business Ethics
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 Ethics, and Laws and Regulations Compliance
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 during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Operation - Business Ethics
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 People and Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our People and Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	N/A