



China Star Entertainment Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 326

2022

Environmental, Social and Governance Report

TABLE OF CONTENTS

TABLE OF CONTENTS	1
ABOUT THIS REPORT	3
REPORTING PRINCIPLES	3
FEEDBACK	4
ABOUT CHINA STAR	5
FILM RELATED BUSINESS OPERATIONS	5
PROPERTY DEVELOPMENT AND INVESTMENT OPERATIONS	5
SUSTAINABILITY AT CHINA STAR	7
SUSTAINABILITY GOVERNANCE	7
SUSTAINABILITY STRATEGY	7
STAKEHOLDER ENGAGEMENT	8
MATERIALITY ASSESSMENT	9
GOVERNANCE	12
INFORMATION PRIVACY AND INTELLECTUAL PROPERTY RIGHTS	12
ANTI-CORRUPTION	13
LABOUR STANDARDS	14
MARKETING RESPONSIBILITY	14
OPERATIONS	15
PROPERTY QUALITY ASSURANCE	15
SERVICE QUALITY AND CUSTOMER FEEDBACK	15
SUPPLY CHAIN MANAGEMENT	16
ENVIRONMENTAL AND SOCIAL INCLUSION IN BUILDING DESIGN	17
PEOPLE	19
EMPLOYEE ENGAGEMENT, ATTRACTION AND RETENTION	19
OCCUPATIONAL HEALTH AND SAFETY	20

TRAINING AND DEVELOPMENT	21
COMMUNITY RELATIONSHIP	22
ENVIRONMENT	23
RESOURCE MANAGEMENT	24
EMISSIONS MANAGEMENT	25
WASTE MANAGEMENT	26
CLIMATE CHANGE	27
LAWS AND REGULATIONS COMPLIANCE	28
PERFORMANCE DATA SUMMARY	30
HKEX ESG GUIDE CONTENT INDEX	34

ABOUT THIS REPORT

China Star Entertainment Limited (hereinafter referred to as the “Company” or “China Star”, together with its subsidiaries, the “Group”) is delighted to present its annual Environmental, Social and Governance (“ESG”) Report (the “Report”).

This Report is prepared according to the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 of the Main Board Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and adheres to the mandatory disclosure requirements and “comply or explain” provisions in the ESG Reporting Guide.

This Report covers the Group’s operations that have material environmental, social and/or economic impacts, including its property development and investment in Macau, as well as operations in Hong Kong and Macau. Operations in Hong Kong include the same operational sites (an office, a sales gallery and a storage unit), whilst operations in Macau have been expanded to include a sales gallery in addition to an office. This Report covers the period from 1 January 2022 to 31 December 2022 (the “Reporting Period”) unless otherwise specified.

The purpose of this Report is to communicate the Group’s vision, policies, initiatives and performance towards achieving a sustainable future.

REPORTING PRINCIPLES

Materiality	This Report is structured on the materiality of identified ESG issues following a stakeholder engagement and materiality assessment. The board of directors (the “Board”) and management have reviewed and confirmed the materiality of such issues.
Quantitative	Appropriate key performance indicators (“KPIs”) and quantitative information from applicable operational sites in Hong Kong and Macau as well as the property development and investment project in Macau are disclosed in this Report.
Balance	This Report provides an unbiased view of the Group’s performance and identifies areas of improvement.
Consistency	In 2021, three offices as part of Hong Kong’s operations were disposed of, whilst during the Reporting Period, a sales gallery had commenced operations as part of Macau’s operations. In addition, all of our operational sites in Macau were temporarily closed in 2022 for approximately two weeks in response to the closure order enacted by the Macau government to tackle Coronavirus Disease 2019 (“COVID-19”) whilst environmental KPIs from the Group’s owned property in Macau are newly disclosed in this Report. Thus, a meaningful comparison of ESG data may not be valid.

FEEDBACK

We welcome your feedback regarding this Report and any sustainability related matters. Please feel free to share your thoughts with us at mail@chinastar.com.hk. For further information concerning our corporate governance and financial performance, please refer to our 2022 Annual Report.

ABOUT CHINA STAR

The Group is principally engaged in the production and distribution of films and television drama series, as well as the provision of other film-related services including artist management services. The Group is also engaged in property development and investment.

FILM RELATED BUSINESS OPERATIONS

The Group has been involved in the film industry since its establishment in 1992. This business segment consists of the investment, production, distribution and licensing of films and television drama series, as well as the provision of other film-related services, including artist management services.

Following the outbreak of COVID-19 in early 2020, all film productions have essentially been temporarily suspended or slowed down. Hence, the Group has not produced or distributed neither any new film nor television drama series during the Reporting Period, whilst one film classified as investment in films is in the post-production stage. Instead, we have concentrated our efforts on the pre-production stage of film production, such as the preparation of story boards. The Group will continue to monitor the development of COVID-19 and adjust its business strategy accordingly on film related business operations.

The film related business operations are not covered in the reporting scope of this Report as the ESG impacts of this business segment is deemed as unmeasurable and insignificant due to its data availability and business nature.

PROPERTY DEVELOPMENT AND INVESTMENT OPERATIONS

The Group has two projects in its portfolio in Macau, namely (i) Tiffany House, located at Rua de Luis Gonzaga Gomes and Rua de Xiamen; and (ii) Lot C7 do Plano de Urbanizacao da Baia de Praia Grande, located in the Nam Van Lakes Zone at Avenida Doutor Stanley Ho (the “Property C7”) that is currently under development.

Tiffany House is located adjacent to Macao Polytechnic Institute and next to Golden Lotus Square, and is a couple of blocks away from Macau Fisherman’s Wharf and Sands Casino. Tiffany House has a total gross floor area of approximately 46,158 square metres and consists of residential, commercial and parking space. It occupies two towers and provides 230 residential units ranging from studio flats to four-bedroom apartments as well as special units, and 272 carpark units and 75 motorcycle park units in three underground levels. A prestigious clubhouse has been constructed that provides a wide range of facilities including a swimming pool, gym room, well equipped kitchen, yoga and dance room amongst others. Tiffany House has obtained its occupational permit in December 2019, and it will be managed by an in-house supreme property management service team. The Group has commenced sales activities for Tiffany House during the Reporting Period.

With a site area of 4,669 square metres, Property C7 is intended to be developed for residential and parking purposes, specifically two residential buildings comprising an eight-storey and a nine-storey building as well as two basement levels of parking area underneath both buildings. The Group has compiled this development plan for submission to the Land, Public Works and Transport Bureau of Macau (“DSSOPT”) for approval and is awaiting a response from DSSOPT.

The Group owns a luxury residential apartment with two car parking spaces in Taiwan (the “Taiwan Property”), which is held as an investment property for long term capital growth. During the Reporting Period, the Taiwan Property had completed renovation works and is ready to be rented out.

SUSTAINABILITY AT CHINA STAR

The entertainment industry is beginning to make an effort to migrate towards more sustainable practices, while the property development industry has historically put safety and quality at the forefront of sustainability issues. At China Star, we endeavour to pursue sustainability throughout operations and apply sustainable practices to address the short- and long-term challenges or risks of navigating in an increasingly socially responsible world.

SUSTAINABILITY GOVERNANCE

In order to effectively and efficiently achieve our strategic sustainability objectives, robust sustainability governance is required to be embedded in the Group's corporate management processes.

The Group has risk assessment procedures in place, where weaknesses are identified and addressed by the management through implementing control measures to manage, mitigate or prevent potential risks that include ESG risks. The Executive Directors monitor and review the effectiveness of these measures to then develop improvement strategies. Our risk management system is reviewed by an external consultancy on an annual basis, where we will evaluate the findings and recommendations in order to enhance our ESG risk management capabilities.

The Board assumes the responsibility of managing the Group's material ESG issues and overall direction towards sustainability. The Board ensures that the Group's operations are aligned with its ESG focus through rigorous reviewing and monitoring procedures, and progress made on ESG-related objectives is evaluated during annual Board meetings. In 2023, the Board approved the implementation of the Green Procurement Policy to enhance its oversight of ESG issues.

SUSTAINABILITY STRATEGY

We have developed an exhaustive sustainability strategy to ensure sustainability is embedded into the core of our business, and it acts as a guiding model to shape procedures and processes that are responsible.

The Group acknowledges the importance of aligning its sustainability strategy to the United Nations ("UN") Sustainable Development Goals ("SDGs"). Upon careful consideration of our operations and ESG impacts, we have determined five SDGs that we believe are most relevant to our sustainable development agenda. These five SDGs have been fully incorporated into the four focus areas of our sustainability strategy, namely Governance, Operations, People and Environment.

<div style="text-align: center; border: 1px solid #ccc; border-radius: 10px; background-color: #e6f2ff; padding: 5px; margin-bottom: 10px;">Governance</div> <ul style="list-style-type: none"> ➤ Operate under high standards of governance, transparency and integrity. ➤ Respect and safeguard our customers. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>	<div style="text-align: center; border: 1px solid #ccc; border-radius: 10px; background-color: #fff9e6; padding: 5px; margin-bottom: 10px;">Operations</div> <ul style="list-style-type: none"> ➤ Enhance service strength to continuously improve quality assurance. ➤ Collaborate with our supply chain partners in improving sustainability performance. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>
<div style="text-align: center; border: 1px solid #ccc; border-radius: 10px; background-color: #fff9e6; padding: 5px; margin-bottom: 10px;">People</div> <ul style="list-style-type: none"> ➤ Promote a safe and healthy work environment and culture. ➤ Uphold the principles of fairness and equality in employment. ➤ Care for and provide professional staff training in assisting their career development. ➤ Support causes and initiatives that create positive impact and promote social harmony. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>	<div style="text-align: center; border: 1px solid #ccc; border-radius: 10px; background-color: #e6ffe6; padding: 5px; margin-bottom: 10px;">Environment</div> <ul style="list-style-type: none"> ➤ Evaluate our emissions and resource usage periodically. ➤ Explore opportunities to improve environmental performances. ➤ Promote awareness towards environmental protection. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"></div> <div style="text-align: center;"></div> </div>

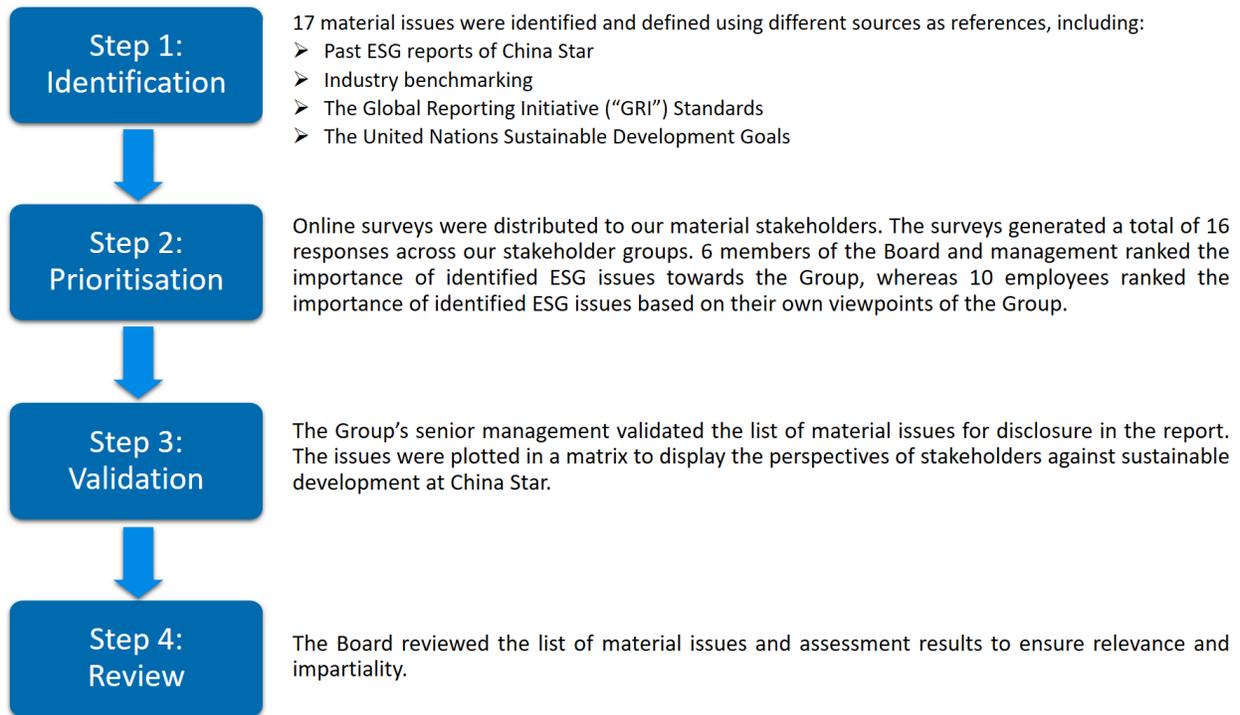
STAKEHOLDER ENGAGEMENT

We strive to regularly communicate and engage with our stakeholders to build close relationships. Through these communication channels, we aim to understand their priorities and expectations regarding sustainability issues in order to achieve the Group’s sustainable development objectives.

Key Stakeholders	Key Engagement Channels
Shareholders/Investors Employees 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

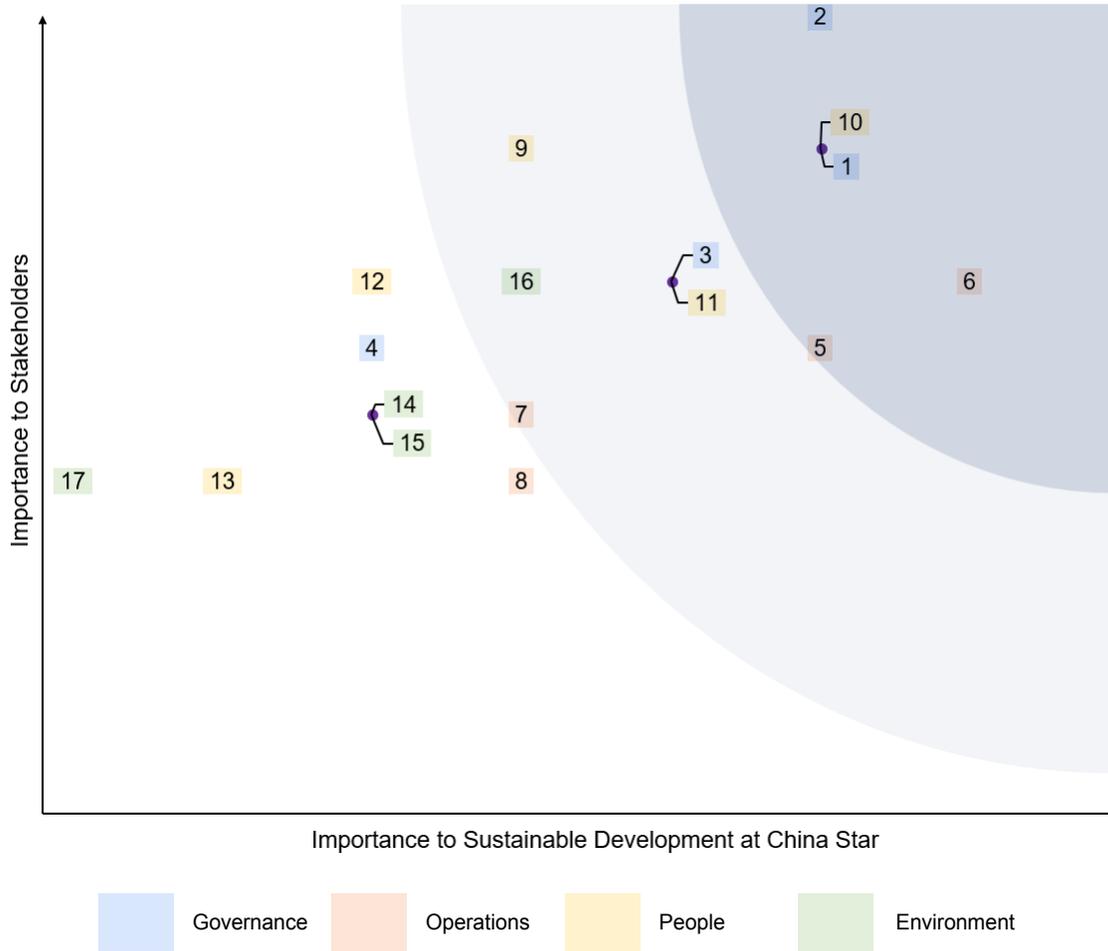
MATERIALITY ASSESSMENT

As part of our ongoing engagement with our stakeholders, we continue to conduct a materiality assessment aimed at better understanding our stakeholders' views and expectations towards the Group. In 2021, China Star commissioned an independent sustainability consultancy to conduct a stakeholder engagement exercise. Upon completion, a materiality assessment was performed to assess the importance of the ESG issues, which was conducted using the following approach:



The materiality matrix below represents the relative importance of each ESG issue towards the sustainable development of the Group and towards our stakeholders. The table below shows the ESG issues grouped and ranked under three tiers of importance.

During the Reporting Period, the Board validated and reviewed the list of the identified ESG issues. It was concluded that these ESG topics remain relevant to the Group’s operations and thus, no material changes were made.



Tier 1 – Important		Tier 2 – Moderately Important		Tier 3 – Slightly Important	
2	Information Privacy and Protection	9	Employee Attraction and Retention	12	Training and Development
1	Anti-Corruption	3	Labour Standards	4	Marketing Responsibility
10	Employee Engagement	11	Occupational Health and Safety (Office and Site)	8	Environmental and Social Inclusion in Building Design
6	Property Quality Assurance	16	Resource Management (Energy, Water, Materials)	14	Emissions Management
5	Service Quality and Customer Feedback	7	Supply Chain Management	15	Waste Management
				13	Community Relationship
				17	Climate Change

In the materiality assessment, an average score was derived from the survey results of all stakeholders for each ESG issue and aspect. According to the results of the materiality assessment, the report structure shall follow the below order:



GOVERNANCE



The Group has developed and implemented a robust governance system that lays out its approach towards managing foreseeable ESG risks and the interests of stakeholders whilst pursuing organisational objectives. Adopting a strong governance system allows us to effectively monitor our performance and influences our culture to ensure that the Group’s business ethics are rigorously upheld and maintained. The processes and controls in place relating to privacy and intellectual property rights protection, anti-corruption, labour standards and marketing responsibility enable accountability across all levels within our operations, as well as compliance with local laws and regulations. For further information regarding relevant laws and regulations, please refer to the “Laws and Regulations Compliance” section.

INFORMATION PRIVACY AND INTELLECTUAL PROPERTY RIGHTS

We concentrate our best efforts on securing all received and stored data of customers on our systems to safeguard the interests of all relevant parties. All data is treated as strictly private and confidential, and only appointed personnel have authorisation rights to access such data.

Each employee is required to sign the employment letter that lists out provisions relating to data protection, and they are provided with a copy of the Staff Handbook including the Code of Conduct, which outlines the requirements of the Group with regard to data handling and management. The Administration Department is responsible for monitoring the policies in the Staff Handbook. Our guidelines state that all personnel are forbidden to disclose any confidential information of the Company, employees or customers to any parties without the written authorisation of the Group during their employment and for a period of two years after leaving the Group, or use such information to further personal interest. In addition, our policies specify that confidential documents of personnel cannot be duplicated and are generally not loaned out. If appointed personnel need to extract files, we require all extractions to be recorded every time, where the files should be sealed before leaving and returned in its entirety. Directors and designated staff who can access confidential data must strictly comply with the insider dealing regime under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules of the Stock Exchange. Failure to comply with these regulations may lead to disciplinary action, including but not limited to summary dismissal.

We also pay attention to protecting intellectual property (“IP”) rights, 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. To uphold our integrity, we obtain authorisation and all necessary licensing agreements, and adhere to all applicable terms of use prior to utilisation of any IP. China Star educates and reminds employees of the importance of observing and protecting IP rights of all parties through the terms and conditions of the employment letter. During the Reporting Period, there were no cases of non-compliance recorded regarding IP infringement or personal data breaches.

ANTI-CORRUPTION

Maintaining robust business and moral ethics is reflected in our daily operations. Our Code of Conduct, which is outlined in the Staff Handbook, lays out our foundations towards malpractice. We do not tolerate any form of bribery, corruption and extortion within our operations. Soliciting or accepting advantages that may lead to bias or impropriety is strictly prohibited under any circumstances. Conflict of interests should always be avoided and reported to management where possible. Any personnel found to be in breach of the Group’s rules will be subject to disciplinary action, including termination of employment, and may be prosecuted under the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Employees are reminded to act with integrity and encouraged to report improper conduct without fear of retribution. We have formulated a whistle-blowing policy that communicates our procedures on handling concerns of any potential wrongdoings committed by our employees. Staff can confidentially report any signs of misconduct directly to the Audit Committee Chairman via writing or e-mail. The Audit Committee Chairman or a nominated staff member will respond to the complainant stating whether an investigation will take place along with corresponding details. The matter may also be referred to the authorities for follow-up action. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering. In addition, there were no legal cases brought against the Group regarding corrupt practices.

During the Reporting Period, we did not arrange anti-corruption training for our Hong Kong employees as most of them have already engaged in such training and possess relevant knowledge, whilst corruption was not considered to be a significant topic of concern for our Macau operations. However, due to the recent change of our operational circumstances in Macau, where interaction with outside parties has increased, we shall conduct anti-corruption training in 2023 for our Macau employees to ensure they are equipped with an awareness of best practices.

LABOUR STANDARDS

China Star adopts a zero-tolerance approach to any illegal forms of employment, including child labour, forced labour and underage workers. To ensure that our strict standards are upheld and employment is lawful, China Star conducts rigorous background checks and identity verification on all job applicants against their provided documents during the recruitment process. In particular, our Macau operations pay special attention to the age and type of identification card held by the applicants to ensure compliance with the regulations of the labour laws of Macau. In addition, we require our subcontractors to obtain working permits for all foreign on-site workers for Tiffany House. If fraudulent information or identities are discovered, recruitment or employment with the Group will be immediately terminated. During the Reporting Period, the Group was not aware of any incidents relating to labour disputes, or any non-compliance with relevant laws and regulations relating to preventing child and forced labour.

MARKETING RESPONSIBILITY

The Group is committed to carrying out marketing and advertising activities for its property development and investment operations in a responsible manner. Thus, we ensure that all images, descriptions and statements used for online and offline marketing channels, including but not limited to websites, social media, billboards, brochures and real estate agents are accurate and genuine. During the Reporting Period, the Group was not aware of any non-compliance cases relating to its marketing and advertising practices.

OPERATIONS



The Group is determined to deliver service with high standards and excellent quality whilst efficiently managing customer feedback. We rigorously conduct quality assurance throughout our operations, work closely with all suppliers across our supply chain to ensure that they act responsibly according to our policies and practices, as well as strive to incorporate sustainable factors throughout the construction process.

PROPERTY QUALITY ASSURANCE

We have robust quality control procedures in place to ensure that the highest quality standards are achieved and upheld, as well as to avoid any defects. With regard to the Group's property development and investment operations, we undertake stringent quality inspections and actively engage with our customers to ensure high levels of customer satisfaction.

For Tiffany House, site inspections are regularly carried out by consultants, the project management team and property management team to ensure that compliance regulations are met and risks are mitigated. The Quality Assurance Team and Work Safety Team engaged in meetings on a weekly basis to evaluate the work progress, safety, quality and environmental conditions of the construction project. Both teams are also in charge of monitoring the schedule, quality and budget throughout the project on a monthly basis during the construction period. After construction, our Property Management Services Team has the responsibility to oversee safety, maintenance and the environmental conditions of Tiffany House. Prior to the handover of properties to buyers, the Property Management Services Team and in-house Construction Team will conduct inspections on the units to ensure that our standards on quality and safety amongst others are met. Buyers are also provided with a warranty, which guarantees that any defects of the property will be promptly addressed.

SERVICE QUALITY AND CUSTOMER FEEDBACK

The Group places great emphasis on building and maintaining long-term and strong relationships with its customers. Through resolving issues experienced by customers and incorporating their feedback, we are determined to strengthen the quality of our customer service, where we strive to achieve the fastest response times and highest customer satisfaction levels.

We actively manage and solve customer complaints in a timely manner, where effective guidelines have been developed for all employees to follow. We ensure to gather all relevant information, discuss ideas to solve problems and improve our services to meet the expectations of our customers. China Star continues to operate a dedicated e-mail account for handling customer complaints, where each matter is addressed effectively and efficiently by the financial controller. For Tiffany House, all customer complaint cases and their outcomes are reported to top management in order to facilitate continuous improvement of our services.

SUPPLY CHAIN MANAGEMENT

China Star is committed to building harmonious and mutually respectful relationships with all its partners across the supply chain. We emphasise mutual benefits and openly communicate and interact with our suppliers to ensure that our procurement standards are well understood and to address any issues in a collaborative manner.

The Group places great importance on partnering with suppliers that continuously demonstrate strong performance. Suppliers must meet our selection criteria, which includes security, safety, cost, quality, delivery and reliability. We will then enter into agreements with qualified suppliers to ensure that the provided services and products fulfil and uphold our high standards within our budgeted costs. For our Macau operations, our Requisition Policy and Procedure specifically states that all requests for products and services must be signed and approved by relevant personnel in order to uphold our standards.

For Tiffany House, our supply chain partners include surveyors, designers, architects, consultants, contractors and subcontractors who provide materials such as concrete, hanger walls, bearing walls, sanitary wares and so on. To engage with our suppliers, we arrange weekly meetings and a site walk with the contractor, as well as attending the site with the contractor and consultants to solve any imminent issues on-site. The duties of our suppliers are listed below:

Supplier	Duties
Surveyors	<ul style="list-style-type: none"> ➤ Provide services in quantity surveying and building cost planning. ➤ Advise on preliminary building cost, contracting, tendering and valuation.
Designers	<ul style="list-style-type: none"> ➤ Assist in designing interior elements, such as space planning, style design and materials selection whilst adding aesthetic value within their specialisms.
Architects	<ul style="list-style-type: none"> ➤ Create detailed drawings of the structure, ensure the building meets the building codes, and undertake project planning.
Consultants	<ul style="list-style-type: none"> ➤ Provide concept and schematic design, construction documentations, and oversee tender and construction works within their fields.
Main contractor and subcontractors	<ul style="list-style-type: none"> ➤ Carry out, supervise and complete the main contract works and subcontract assigned works.

In addition to requiring suppliers to comply with local legislation, we have also formulated procurement procedures and guidelines for the tendering process based on the principle of fairness:

Applicable to New Suppliers:

- Conduct research and assessment amongst all new tenders prior to the commencement of the tendering process.
- Evaluate companies based on records regarding their work quality, product knowledge as well as reputation in timeliness, customer service and safety.
- Ensure suppliers are aware of the requirement as set out in the Tender Documents before they submit the technical information, programs, drawings and preliminary samples during the tender assessment stage.
- Obtain three quotations for comparison in Hong Kong and Macau operations and two quotations for comparison in Tiffany House.
- Submit an assessment report with reasons for recommendation and approval by designated management personnel.

Applicable to Existing Suppliers:

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

To further embrace sustainable procurement, we have implemented a Green Procurement Policy during the Reporting Period. The policy states that employees are encouraged to purchase products with environmentally-friendly qualities, including but not limited to improved recyclability, reduced packaging, increased energy and water efficiency, cleaner fuels and reduced toxic substances. China Star will consider implementing environmental requirements and standards for suppliers or contractors to fulfil throughout the procurement process, and they may be suspended from tendering should they fail to observe relevant environmental laws and regulations. The Group aims to procure from locally-based suppliers where possible, and will also set appropriate green objectives and targets on an annual basis to strengthen its commitment to sustainable development.

ENVIRONMENTAL AND SOCIAL INCLUSION IN BUILDING DESIGN

The Group understands that the property development industry has untapped potential to incorporate sustainable factors in the design stage. We are mindful of the environmental and social impacts of our operations, and aim to integrate sustainable alternatives as well as social elements when possible.

Throughout the project planning and design stages, we closely liaised with the Environmental Protection Bureau of Macau and other relevant government departments. We made significant efforts to minimise potential environmental impacts, including air quality, noise, water quality, waste, ecology landscape and visual impact during construction. In addition, several sustainable features have been incorporated into the design of units in Tiffany House. These environmentally-friendly elements reduce pollution and improve the physical and mental health of all residents, as well as preserve surrounding ecosystems. The sustainable design features and their corresponding impacts can be found in the table below:

Scope	Features and Impacts
Centralised air-conditioning	➤ A centralised air-conditioning system with water cooled chillers is installed, which is more energy-efficient and free from toxic chemicals, as well as possessing a longer lifespan.
Double-paned windows	➤ Glass windows that are double-paned and with low-e coating are installed. They effectively block heat radiation and heat transfer.
LED lighting system	➤ LED lighting systems are used, which do not contain toxic chemicals, have a longer lifespan and are more energy-efficient.
Floodgates	➤ Floodgates have been installed, which reduces water contamination and water pollution.

We have created a prestigious clubhouse in Tiffany House that is for residential use, with a wide range of facilities to enable social interaction, including a garden, children’s playhouse, gym room, swimming pool and private restaurants that can host different orientation activities, such as cooking classes, yoga classes and dining events. It is also fitted with sensor taps to reduce the water flow rate.

PEOPLE



Our people are the lifeblood of our business and are our most valuable asset. The Group is focused on maintaining the welfare and satisfaction of its employees, as well as enhancing their knowledge and skillset to instil a culture that promotes continuous development. We aspire to provide a supportive working environment that prioritises health and safety, and fosters learning through technical and general training courses to safeguard the interests of our people. Additionally, the Group places great emphasis on building strong relationships with the communities that we operate in, and have proactively pursued strategies to promote community cohesion.

EMPLOYEE ENGAGEMENT, ATTRACTION AND RETENTION

The Group utilises its utmost efforts to communicate with employees to achieve and maintain high levels of satisfaction, as well as continuously pursuing engagement initiatives to attract and retain its top talent.

Our Staff Handbook covers all employment-related policies that are in strict compliance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), and lays out our approach to fostering an inclusive, merit-based and safe workplace. We have formulated an Equal Employment Opportunities policy for both Hong Kong and Macau operations that reinforce our dedication to providing equal opportunities and a healthy working environment for all candidates and employees regardless of their sex, nationality, marital status, disability and religious belief. Our recruitment, selection and internal promotion procedures are solely based on expertise, experience and performance. Any form of bias, discrimination or harassment is unlawful under the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong) and will not be tolerated. Employees who are found to have engaged in sexual harassment conduct will be disciplined in accordance with our guidelines. For our Macau operations, employees must comply with Article 69 of the Labour Relations Law (Law No. 7/2008), where dismissal would be used as a last resort should violations occur.

All our employees are provided with a competitive remuneration package, including a basic salary, a discretionary year-end bonus, medical, compensation and life insurance, housing allowances, meal allowances as well as contributions to provident funds. They are also entitled to statutory public holidays and various leave benefits, including annual, sick, marriage, maternity, paternity, condolatory and jury service. A share option scheme is in place, where share options are awarded to certain employees based on the assessment of individual performance.

We have a performance appraisal system in place that is conducted annually or biannually for first year recruits by the Department Head or supervisor. This mechanism aims to monitor the progress of employees and acknowledge good performance. During the performance appraisal, the manager focuses on objectively evaluating the performance of employees, understanding their needs and goals, and motivating them to unlock and fulfil their potential within the Group. Employees are also encouraged to undergo self-evaluation and create future action plans for self-development. Once this has concluded, employees are assigned an overall performance rating, which is reviewed by the Administration Department. Adjustments including salary increments, promotions and terminations will then be implemented subject to a formal written approval from the directors.

A counselling service has been set up to support the well-being of employees. Employees can contact their Department Head or supervisor to seek guidance on job-related problems, or take their concerns up to the top management if a satisfactory solution has not been found. We also have a grievance system where employees can confidentially lodge complaints, questions or suggestions in writing to the Group. The Administration Department will provide feedback on the matter to the employee accordingly.

Due to the ongoing COVID-19 pandemic, the Group did not organise any social activities for employees during the Reporting Period. Moving forward, we shall periodically arrange different engagement activities to boost the morale and satisfaction of our talented workforce.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees is integral to China Star's operations. Health and safety protocols are set out in the Staff Handbook to ensure that our working environments are secure, safe and healthy.

For our property development and investment operations, we strictly comply with the Regulation of Hygiene and Work Safety of Civil Construction (Decree No. 44/91/M). All subcontracted on-site workers for Tiffany House have completed the "Training for Occupational Safety and Health" course and obtained a Construction Safety Card issued by the Labour Affairs Bureau in Macau. The qualification ensures that all on-site workers possess the required health and safety knowledge at construction sites. They are also expected to observe and follow the technical procedures detailed in relevant laws and regulations when working on-site. Our subcontractors are required to maintain safety at the machinery plant, gondola and confined spaces on a regular basis, as well as ensure vibration protection risk controls are implemented.

For our Macau operations, we have formulated health and safety regulations that state employees must immediately report the situation to their Department Head if a work injury or incident occurs. The regulations also specify instructions that all employees should follow if there are workplace injuries or fire hazards, and alternative work arrangements are noted in the event of typhoons and rainstorms. First aid kits as well as anti-epidemic supplies are placed in an easily accessible location in the office, sales gallery and Tiffany House, and the first aid guidebook is stored inside the box to enable prompt treatment of any injuries. Additionally, we conducted regular fire drills as well as periodic sanitisation of the water dispenser and pest control in the workplace.

The unprecedented COVID-19 pandemic has undoubtedly impacted our business operations. As a result, the Group took swift measures to safeguard the health and safety of its employees. During the Reporting Period, we distributed rapid antigen test kits to employees to enhance their personal protection. For our Macau operations, staff were required to send their health code to relevant personnel, take their temperature and conduct rapid antigen testing on specific dates upon arrival at the operational sites. Staff with a red health code or positive test result are prohibited from entering the workplace and must undergo quarantine at home. At our Hong Kong office, we carried out monthly cleaning and sanitising of the workplace as well as periodic dust removal of the air conditioner filter. In addition, notices were circulated to employees to remind them to pay attention to their health and routinely practise COVID-19 control and preventive measures.



COVID-19 Control and Preventive Measures for Employees to Practise:

- Maintain good personal hygiene and perform hand hygiene frequently and properly.
- Wear a mask at all times.
- Minimise unnecessary social gatherings and ensure social distancing
- Adopt digital communication methods for meetings where possible.
- All employees under compulsory testing should safely keep their notification letter and testing records.
- If employees test positive, they should immediately report the situation to the Department Head, who will then inform the Human Resources Department.

Due to the serious COVID-19 outbreak in Hong Kong and Macau, during the Reporting Period, we circulated internal notices relating to arrangements for employees under compulsory testing or quarantine circumstances, the implementation of a work-from-home system and requiring employees to conduct nucleic acid or rapid antigen testing before reporting for work. To further promote a heightened sense of well-being and reduce the potential risk of transmission, we additionally encouraged employees to promptly arrange for vaccination.

TRAINING AND DEVELOPMENT

The Group places high importance with regard to nurturing and training its workforce in order to develop their professional capabilities.

To help employees remain competitive, training arrangements are managed and coordinated by management level staff, where every Department Head and the Administration Manager will consider if relevant knowledge needs to be obtained or updated according to the requirements of each department. We also encourage and support employees through providing sponsorship opportunities to acquire new skills and knowledge to enhance their growth.

All new employees are provided with orientation training during the probation period. During the training, the Administration Department will share information regarding the Group's history, company philosophies, objectives, policies, rules/regulations and benefit programmes. The Department Head or supervisor will explain in-depth the employee's specific role in the department and corresponding responsibilities. After orientation training has been completed, we envision new employees to become more comfortable in the working environment and gain a greater understanding of the Company's daily operations and structure.

During the Reporting Period, 22 employees across the Group completed 395 hours of training on topics including customer service, building maintenance, fire safety, climate change, social innovation as well as corporate governance amongst others.



COMMUNITY RELATIONSHIP

The Group is passionate about contributing to and developing local communities whilst striving to build close relationships with different community groups through investing in engagement initiatives that improve the well-being and sustainability of our society. The Administration Department is responsible for determining charities to support and coordinating the Group's charitable activities.

Assisting underprivileged groups in local communities through donating resources is a focus area that the Group is committed to. During the Mid-Autumn Festival, the Group requested its suppliers to donate 10 boxes of mooncake that were intended to be gifted to the Group to be diverted to charity to show care to citizens who are experiencing difficulties in their lives. Through this initiative, we supported the charity Banyan Services Association to provide mooncakes to the elderly who are living alone and the homeless to ultimately promote connectivity amongst society.

ENVIRONMENT



The state of our environment will continue to be one of the greatest concerns to humanity that is impacted by our operations. China Star realises that it needs to play its role in tackling pertinent environmental challenges and adopts a mindful approach towards waste and natural resources consumption as well as emissions management to help combat the pressing issue of climate change. During the Reporting Period, the Group did not record any cases of non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.

The Group acknowledges that sustainability is inherently linked to long-term business growth and stability, and thus is committed to creating positive impacts to our environment whilst influencing others to protect our planet. To this end, we formulated a set of environmental targets in 2021 to align our efforts and focus on the aspects where we can collectively as a Group deliver the biggest contributions to. Water consumption targets were excluded as this is considered as immaterial to our operations, and we aim to expand our approach to include waste reduction targets in the future. Our progress made on achieving these environmental targets is presented in the table below (all applicable figures are rounded to 2 decimal places).

Scope and Aspect	Targets	2022 Progress
Hong Kong Operations – Emissions	<ol style="list-style-type: none"> 1) By 2026, reduce absolute greenhouse gas emissions (Scope 1 - 3) by 10%, compared to a FY19 baseline. 2) By 2026, reduce greenhouse gas emissions (Scope 1 - 3) intensity (tCO₂e / full-time employee("FTE")) by 10%, compared to a FY19 baseline. 	<ol style="list-style-type: none"> 1) Reduced by 30.16% 2) Reduced by 20.97%
Hong Kong Operations – Energy	<ol style="list-style-type: none"> 3) By 2026, reduce absolute energy usage by 3%, compared to a FY19 baseline. 4) By 2024, participate in energy-saving and emission-reduction activities at least once a year to promote employees' environmental awareness (such as the "Earth Hour" initiative). 5) By 2024, at least 50% of newly purchased electrical appliances in the office should carry energy-saving labels. 	<ol style="list-style-type: none"> 3) Reduced by 28.65% 4) We have participated in the "Earth Hour" initiative in 2023 5) No progress. However, we will endeavour to purchase office appliances with energy-saving labels where possible

Macau Operations – Energy	<p>6) By 2026, reduce electricity usage intensity (kWh / FTE) by 72%, compared to a FY18 baseline.</p> <p>7) By 2026, reduce energy usage intensity (MJ / FTE) by 72%, compared to a FY18 baseline.</p>	<p>6) Reduced by 68.67%</p> <p>7) Reduced by 64.75%</p>
---------------------------	---	---

RESOURCE MANAGEMENT

We aim to preserve our earth’s finite natural resources through executing measures to prudently manage our consumption of energy, water and materials, as well as regularly evaluating the consumption pattern of our employees. The Group has not encountered any difficulties relating to sourcing water that is fit for purpose.

To minimise our environmental footprint and conserve natural resources, our Green Procurement Policy advises employees to avoid purchasing single-use items and procure products that contain recycled properties and use less packaging. The Group also procures FSC-certified paper and sources office furniture and equipment that is durable whilst implementing a set of energy and water saving measures:

Energy and Water Saving Measures
<ul style="list-style-type: none"> ➤ Switching off all electronic appliances, including air-conditioning systems, computers, printing and fax machines when not in use. ➤ Cleaning the ventilation system on a regular basis to ensure indoor air quality. ➤ Implementing air conditioning zoning to enable optimal energy usage. ➤ Adopting refrigerating appliances and servers with energy labels. ➤ Maintaining all water dispensers, taps and pipes on a regular basis. ➤ Repairing internal and external water leaks in a timely manner.

The table below displays our electricity and water usage during the Reporting Period for our operations in Hong Kong and Macau:

Aspect	Unit	Hong Kong Operations	Macau Operations	Tiffany House
Electricity Usage	kWh	70,855.55	67,387.64	1,032,363.91
Water Usage	m ³	34.70	50.53	5,343.92

In 2023, we circulated a notice informing employees to participate in the “Earth Hour” initiative at home whilst switching off non-essential lights and electrical appliances at the Hong Kong office to conserve natural resources and ultimately, protect our planet.

EMISSIONS MANAGEMENT

China Star is conscious of the environmental impacts of its operations, and expends great efforts in mitigating and managing its emissions. We aim to proactively monitor the impacts of this aspect to ensure that sufficient controls are in place in order to limit the scope of our future emissions.

For our property development and investment operations in Macau, we require our Tiffany House subcontractors to strictly comply with all local laws and regulations relating to the controlling of air pollutant emissions, including the Environmental Law (Law No. 2/91/M). Dust control measures and proper maintenance of equipment are carried out at the operation site, where an external cleaning company has been employed to clean and remove ventilation dust on a regular basis. In order to control and minimise noise emissions generated by our equipment, we have adopted the following procedures to adhere to local laws and regulations:

Noise Control Procedures

- All modification, maintenance and repair work 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.
- For all civil works that require the use of mobile or fixed mechanical equipment, a minimum of a 200-metre distance is maintained from residential buildings.

To enable us to measure and better manage the Group's greenhouse gas ("GHG") emissions, we commissioned an independent sustainability consultancy to evaluate our GHG emissions. The quantification methodologies references both local and international guidelines, including the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department, and the "Greenhouse Gas Protocol" developed by the World Resources Institute and World Business Council for Sustainable Development. The latest emission factors used for calculations are provided by relevant power companies. During the Reporting Period, GHG emissions mainly derived from the combustion of fuels for vehicles (scope 1) and the generation of purchased electricity (scope 2), whilst electricity used for fresh water and sewage processing (scope 3) forms a minor proportion of GHG emissions. The Group's emissions generation is shown in the table below:

Aspect	Unit	Hong Kong Operations	Macau Operations	Tiffany House
Scope 1 Direct Emissions and Removals	Tonnes of CO ₂ e	20.99	2.41	N/A
Scope 2 Energy Indirect Emissions	Tonnes of CO ₂ e	49.81	41.78	640.07
Scope 3 Other Indirect Emissions	Tonnes of CO ₂ e	0.02	N/A ¹	N/A ¹
Total GHG Emissions (Scope 1-3)	Tonnes of CO ₂ e	70.82	44.19	640.07

WASTE MANAGEMENT

Proper waste reduction and management is an indispensable part of our operations. The Group acknowledges that excessive landfill waste is detrimental to the environment and aims to dispose of its waste in a socially responsible manner.

In Tiffany House, the contractor is responsible for the disposal of construction waste and debris to landfills. We also strictly prohibit our subcontractors from leaving any waste in public spaces. The Group has provided three types of recycling bins for the recycling of waste paper, plastics and glass for Tiffany House residents to promote good recycling habits and a culture of proper waste disposal.

For our Macau operations, we test all redundant IT-related equipment, including PCs and printers, where the equipment will be collected and stored in a designated area ready for disposal. We consult the Municipal Affairs Bureau (IAM) of the Macau government for scheduling recycling collections, where a disposal form and an exit form will be issued before the equipment is collected from our operational sites and taken away for recycling respectively.

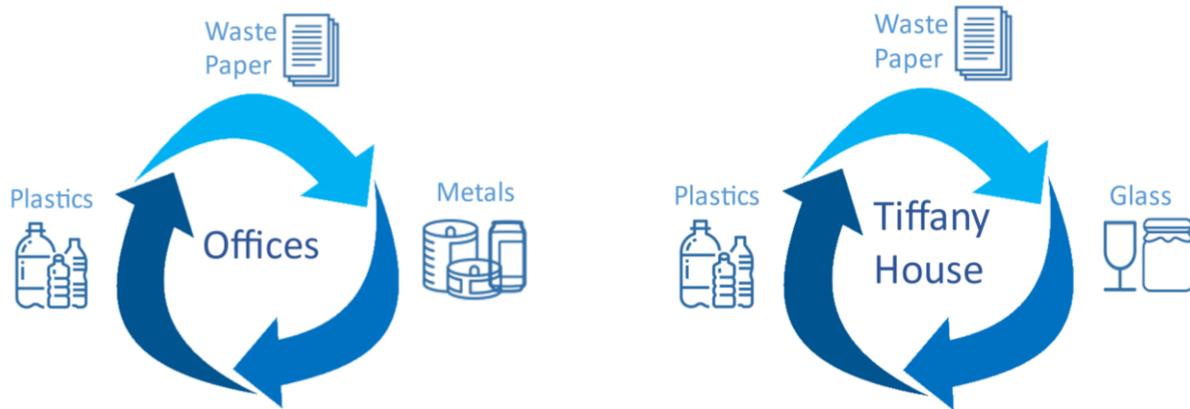
For our Hong Kong and Macau operations, we have implemented several measures to reduce our paper consumption and resource usage:

Waste Reduction Practices

- Digitising internal communication channels to replace the use of paper-based communication.
- Using double-sided paper for printing for internal usage to reduce paper consumption.
- Purchasing new stationery, office furniture and electronic appliances only when necessary.

¹ GHG emissions generated from electricity used for fresh water and sewage processing cannot be determined for Macau's operations and Tiffany House due to difficulties in obtaining relevant data for Macau.

We also encourage all our employees to get accustomed to separating their waste for recycling through actively using waste sorting initiatives in the office buildings. Our employees have put this into practice by choosing to wash their disposable takeaway containers and discarding them in the recycling bins located at the office lobby. The waste is then collected by a licensed third party for further handling, recycling and disposal. Our office waste is sorted and separated into waste paper, plastics and metals.



During the Reporting Period, hazardous waste generated at our Hong Kong operational sites include 2 ink cartridges that were collected and recycled by the contractor, whilst non-hazardous waste consisted of 120 copies of newspapers and magazines that were sent to landfill. At our Macau operational sites, we consumed 10 packs of office paper, where any paper waste was disposed of by sending to landfill, and no hazardous waste was produced. Moving forward, we aim to develop a waste monitoring system to enhance the Group's data collection and disclosure of this aspect.

CLIMATE CHANGE

Climate change is and continues to be an unparalleled challenge for mankind. The acceleration and unpredictability of climate change in recent years has been driven by human activities. The risks, impacts and financial implications of climate change to China Star cannot be underestimated, and requires our prudent business planning to effectively safeguard against these potential events and mitigate the corresponding adverse effects on our daily operations.

During the Reporting Period, the Group has conducted a preliminary climate-related risk assessment with reference to the recommendations published by the Task Force on Climate-Related Financial Disclosures ("TCFD"). We identified 9 physical (acute and chronic) and transition (policy, legal, technology and market) risks, and we determined the likelihood and severity of each risk along with corresponding mitigation measures to manage these risks. The outcome of the preliminary assessment indicates that all risks were deemed by the Group to have a low risk level and hence, a low impact on our operations. Nevertheless, appropriate measures are in place to minimise the impacts of the identified climate-related risks, including implementing a work-from-home system to counter the risks of typhoons and extreme precipitation.

Moving forward, we shall monitor the development of these actual or potential climate-related risks, and enhance the Board's approach to build resilience against the increasingly pressing issue of climate change.

LAWS AND REGULATIONS COMPLIANCE

Compliance with relevant local laws and regulations is the Group's greatest concern. Thus, we pay special attention to ensuring that our policies and procedures align with legal requirements, and have formulated monitoring measures to strengthen compliance with applicable legislation of relevant jurisdictions. The following tables list out all relevant laws and regulations that have a significant impact on the Group's operations in Hong Kong and Macau during the Reporting Period:

Governance
<p><i>Applicable in Hong Kong:</i></p> <ul style="list-style-type: none">➤ Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)➤ Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)➤ Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) <p><i>Applicable in Macau:</i></p> <ul style="list-style-type: none">➤ Anti-Money Laundering Law (Law No. 2/2006, amended by Law No. 3/2017)➤ Personal Data Protection Act (Law No. 8/2005)➤ Prevention and Suppression of Bribery in the Private Sector (Law No. 19/2009)➤ Regulation on Prohibition of Illegal Work (Administrative Regulation No. 17/2004, partially repealed by Law No. 21/2009)
Operations
<p><i>Applicable in Macau:</i></p> <ul style="list-style-type: none">➤ Urban Planning Law (Law No. 12/2013)➤ Condominium management commercial activity law (Law No. 12/2017)

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)
- Hong Kong Bill of Rights Ordinance (Cap. 383 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)

Applicable in Macau:

- Social Security System (Law No. 4/2010, amended by Law No. 6/2018)
- Labour Relations Law (Law No. 7/2008, amended by Law No. 8/2020)
- Law for the Employment of Non-resident Workers (Law No. 21/2009)
- Fire Safety Regulation (Decree No. 24/95/M)
- General Regulation of Working Safety and Hygiene of Office, Service and Commercial Establishment (Decree No. 37/89/M, corrected by Decree Law No. 40/89/M)
- Legal Regime of Compensation of Damages Caused by Industrial Accidents and Occupational Diseases (Decree No. 40/95/M, partially repealed by Law No. 6/2015)
- Regulation of Hygiene and Work Safety of Civil Construction (Decree No. 44/91/M)
- General Construction Works Regulation (Decree No. 79/85/M)

Environment

Applicable in Macau:

- Environmental Law (Law No. 2/91/M)
- General Regulations Governing Public Places (Administrative Regulation No. 28/2004)
- Legal Regime of Noise at Work (Decree No. 34/93/M)
- Prevention and Control of Environmental Noise (Law No. 8/2014)

PERFORMANCE DATA SUMMARY

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations	Tiffany House
Environmental²				
Nitrogen Oxide Emissions (NOx)	kg	3.97	0.30	N/A
Sulphur Oxide Emissions (SOx)	kg	0.12	0.01	N/A
Particulate Matter (PM)	kg	0.29	0.02	N/A
GHG Emissions (Scope 1) ³	tCO ₂ e	20.99	2.41	N/A
GHG Emissions (Scope 2)	tCO ₂ e	49.81	41.78	640.07
GHG Emissions (Scope 3)	tCO ₂ e	0.02	N/A ⁴	N/A ⁴
Total GHG Emissions (Scope 1-3)	tCO ₂ e	70.82	44.19	640.07
GHG Emissions Intensity by Revenue ⁵	tCO ₂ e / HK\$'000	0.19		
GHG Emissions Intensity by Area ⁶	tCO ₂ e / m ²	0.05	0.04	0.01
Petroleum Usage	Litre	7,864.74	903.97	N/A
Electricity Usage	kWh	70,855.55	67,387.64	1,032,363.91
Total Energy Usage	MJ	519,177.95	272,950.81	3,716,510.09
Energy Usage Intensity by Revenue	MJ / HK\$'000	1,162.32		
Energy Usage Intensity by Area	MJ / m ²	390.60	226.42	82.35
Water Usage	m ³	34.70	50.53	5,343.92
Water Usage Intensity by Area ⁷	m ³ / m ²	0.11	0.05	0.12

² All figures are rounded to 2 decimal places, unless otherwise specified.

³ The global warming potential values are referenced from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

⁴ GHG emissions generated from electricity used for fresh water and sewage processing cannot be determined for Macau's operations and Tiffany House due to difficulties in obtaining relevant data for Macau.

⁵ The total revenue of the Group is recorded at approximately HK\$ 3,879,000 for the financial year 2022.

⁶ The total gross floor area of the Group's operational sites for Hong Kong operations and Macau operations as well as Tiffany House (excluding units that are used as part of Macau's operations) is approximately 1,329 m², 1,205 m² and 45,133 m² respectively.

⁷ The water usage intensity by area calculations are limited to operational sites where the Group is financially responsible for water usage.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations
Social⁸			
Total Workforce	Person(s)	38	43
<i>Workforce by Gender</i>			
Male	Person(s)	15	24
Female	Person(s)	23	19
<i>Workforce by Employment Category</i>			
Senior Level	Person(s)	11	1
Intermediate Level	Person(s)	17	5
General Level	Person(s)	10	37
<i>Workforce by Age Group</i>			
<30 Years Old	Person(s)	2	8
30-50 Years Old	Person(s)	11	27
>50 Years Old	Person(s)	25	8
<i>Workforce by Geographical Region</i>			
Hong Kong	Person(s)	34	0
Mainland China	Person(s)	2	0
Taiwan	Person(s)	2	0
Macau	Person(s)	0	43
<i>Turnover Rate</i>			
Total Turnover Rate	%	15.19%	17.65%
<i>Turnover Rate by Gender</i>			
Male	%	6.67%	5.26%
Female	%	20.41%	33.33%

⁸ As Tiffany House is a property development and investment project, its social data does not exist.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations
<i>Turnover Rate by Age Group</i>			
<30 Years Old	%	40.00%	42.86%
30-50 Years Old	%	20.00%	15.38%
>50 Years Old	%	11.11%	0.00%
<i>Turnover Rate by Geographical Region</i>			
Hong Kong	%	16.90%	N/A
Mainland China	%	0.00%	N/A
Taiwan	%	0.00%	N/A
Macau	%	N/A	17.65%
<i>Employees Trained⁹</i>			
Total Employees Trained	%	10.53%	41.86%
<i>Employees Trained by Gender¹⁰</i>			
Male	%	13.33%	45.83%
Female	%	8.70%	36.84%
<i>Employees Trained by Employment Category¹⁰</i>			
Senior Level	%	27.27%	0.00%
Intermediate Level	%	5.88%	40.00%
General Level	%	0.00%	43.24%
<i>Average Training Hours</i>			
Average Training Hours per Employee	Hours / employee	1.53	7.84
<i>Average Training Hours per Employee by Gender</i>			
Male	Hours / employee	1.23	13.17
Female	Hours / employee	1.72	1.11

⁹ Number of employees trained divided by the number of employees as of 31 December 2022.

¹⁰ Number of employees trained in the specified category divided by the number of employees in the specified category as of 31 December 2022.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations
<i>Average Training Hours per Employee by Employment Category</i>			
Senior Level	Hours / employee	4.73	0.00
Intermediate Level	Hours / employee	0.35	6.60
General Level	Hours / employee	0.00	8.22
<i>Number of Work-related Fatalities and Injuries</i>			
Work-related Fatalities	Person(s)	0	0
Work-related Injuries	Person(s)	0	1
Work-related Injury Rate	Per person	0	0.02
Lost Days due to Work-related Injury	No. of days	0	3
<i>Number of Suppliers</i>			
Total Number of Suppliers	No.	135	66
<i>Number of Suppliers by Geographical Region</i>			
Hong Kong	No.	128	14
Mainland China	No.	2	5
Macau	No.	2	46
Overseas	No.	3	1
<i>Community Investment</i>			
Mooncakes Donation	HK\$ value	1,000	N/A

HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> i) a disclosure of the board’s oversight of ESG issues; ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	<p>Sustainability at China Star - Sustainability Governance, Sustainability Strategy, Stakeholder Engagement, Materiality Assessment</p>
Reporting Principles		
	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About This Report</p> <p>Sustainability at China Star - Stakeholder Engagement, Materiality Assessment</p> <p>Performance Data Summary</p>
Reporting Boundary		
	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About This Report</p>

Aspects, General Disclosures and KPIs	Description	Relevant Chapter 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.	Environment - Emissions Management, Waste Management Laws and Regulations Compliance
KPI A1.1	The types of emissions and respective emissions data.	Environment - Emissions Management Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment - Emissions Management 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).	Environment - Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment - Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment; Environment - Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment; Environment - Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment - Resource Management
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).	Environment - Resource Management Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment - Resource Management Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment; Environment - Resource Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment; Environment - Resource Management

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not relevant to the Group's operations as a property development business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment - Resource Management, Emissions Management, Waste Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment - Resource Management, Emissions Management, Waste Management
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment - Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environment - Climate Change
B. Social		
<i>Employment and Labour Practices</i>		
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.	People - Employee Engagement, Attraction and Retention Laws and Regulations Compliance
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
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.	People - Occupational Health and Safety Laws and Regulations Compliance
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary

KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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.	People - Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
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.	Governance - Labour Standards Laws and Regulations Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Governance - Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Governance - Labour Standards
<i>Operating Practices</i>		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operations - Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operations - Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operations - Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operations - Supply Chain Management, Environmental and Social Inclusion in Building Design
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.	Governance - Information Privacy and Intellectual Property Rights, Marketing Responsibility Operations - Property Quality Assurance, Service Quality and Customer Feedback Laws and Regulations Compliance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group did not recall any products sold for safety and health reasons
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.	Governance - Information Privacy and Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Operations - Property Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Governance - Information Privacy and Intellectual Property Rights
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.	Governance - Anti-corruption 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.	Governance - Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance - Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance - Anti-corruption
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.	People - Community Relationship

KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	People - Community Relationship
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	People - Community Relationship Performance Data Summary