



# **CHINA STAR ENTERTAINMENT LIMITED**

(Incorporated in Bermuda with limited liability)

Stock Code: 326

## **2023**

## **Environmental, Social and Governance Report**

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b>	<b>1</b>
<b>ABOUT THIS REPORT</b>	<b>3</b>
REPORTING PRINCIPLES	3
FEEDBACK	4
<b>ABOUT CHINA STAR</b>	<b>5</b>
FILM RELATED BUSINESS OPERATIONS	5
PROPERTY DEVELOPMENT AND INVESTMENT OPERATIONS	5
MULTI-MEDIA AND ENTERTAINMENT BUSINESS OPERATIONS	6
<b>CHINA STAR'S SUSTAINABILITY APPROACH</b>	<b>7</b>
SUSTAINABILITY GOVERNANCE	7
SUSTAINABILITY STRATEGY	8
STAKEHOLDER ENGAGEMENT	8
MATERIALITY ASSESSMENT	9
<b>GOVERNANCE</b>	<b>12</b>
ANTI-CORRUPTION	12
INTELLECTUAL PROPERTY RIGHTS PROTECTION	13
LABOUR STANDARDS	13
INFORMATION PRIVACY AND SECURITY	14
MARKETING RESPONSIBILITY	14
<b>OPERATIONS</b>	<b>15</b>
PRODUCT AND SERVICE QUALITY AND SAFETY	15
CUSTOMER SERVICE AND SATISFACTION	16
SUPPLY CHAIN MANAGEMENT	16
ENVIRONMENTAL AND SOCIAL INCLUSION IN BUILDING DESIGN	18
<b>PEOPLE</b>	<b>19</b>

OCCUPATIONAL HEALTH AND SAFETY	19
EMPLOYEE ATTRACTION AND RETENTION	19
TRAINING AND DEVELOPMENT	20
EMPLOYEE ENGAGEMENT AND DIVERSITY	21
COMMUNITY RELATIONSHIP	22
<b>ENVIRONMENT</b>	<b>23</b>
EMISSIONS MANAGEMENT	23
WASTE AND MATERIALS MANAGEMENT	24
RESOURCE MANAGEMENT (ENERGY AND WATER)	25
CLIMATE CHANGE	26
<b>LAWS AND REGULATIONS COMPLIANCE</b>	<b>29</b>
<b>PERFORMANCE DATA SUMMARY</b>	<b>31</b>
<b>HKEX ESG GUIDE CONTENT INDEX</b>	<b>35</b>

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

This Report is prepared according to the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix C2 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 period from 1st January 2023 to 31st December 2023 (the “Reporting Period”) unless otherwise specified.

This Report covers the Group’s operating activities that have material environmental, social and/or economic impacts, including its property development and investment operations in Macau, operations in Hong Kong and Macau, as well as multi-media and entertainment business operations in Mainland China, which was established on 24th March 2023. Operations in Hong Kong include the same operational sites, whilst one of the operational sites for operations in Macau was disposed of during the Reporting Period. The property development and investment project remains the same. The Group’s film related business operations are not covered in the reporting scope as the ESG impacts of this business segment is deemed as unmeasurable and insignificant due to its data availability and business nature.

## REPORTING PRINCIPLES

<b>Materiality</b>	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.
<b>Quantitative</b>	Appropriate key performance indicators (“KPIs”) and quantitative information from applicable operational sites in Hong Kong and Macau, the completed property development and investment project in Macau, as well as the multi-media and entertainment business segment are disclosed in this Report. The Group has authorised a contractor to carry out the construction operations of its second property development and investment project in Macau, therefore the Group does not exert direct control over the environmental and social performance of this project.
<b>Balance</b>	This Report provides an unbiased representation of the Group’s performance and identifies areas of improvement.
<b>Consistency</b>	During the Reporting Period, a facility used as part of the sales gallery for operations in Macau was disposed of, whereas the Group’s multi-media and entertainment

business operations had started operations, where relevant KPIs are newly disclosed in this Report. Hence, a meaningful comparison of ESG data may not be valid.

## FEEDBACK

We welcome your feedback regarding this Report and any sustainability-related matters. Please reach out and share your thoughts with us at [mail@chinastar.com.hk](mailto:mail@chinastar.com.hk). For further information relating to our corporate governance and financial performance, please refer to our 2023 Annual Report.

## ABOUT CHINA STAR

The Group is principally engaged in the investment, 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 as well as building management services. During the Reporting Period, it established a new business segment engaging in the development, promotion and operation on multi-channel network e-commerce platforms.

### 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.

Due to the uncertain economic environment, the Group has adopted a prudent approach. The Group does not currently have any film or television drama series in production, and its ongoing business operations relates to film distribution. The Group has passive investment in two films, which is expected to be released in 2024 and 2025.

### 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”).

Tiffany House has a total gross floor area of approximately 46,158 square metres consisting of residential, commercial and parking space. It occupies two towers and includes a prestigious clubhouse, which provides a wide range of facilities. Tiffany House has obtained its occupational permit in December 2019. Sales activities for Tower 1 of Tiffany House commenced in October 2022, with sales transactions first completed in January 2023. Tower 2 of Tiffany House will commence sales activities at a later stage. During the Reporting Period, sales transactions for 22 residential units and two carparks were completed. Building management for Tiffany House is undertaken by the Group, and hence the Group has formed its building management services teams, aiming to provide excellent services to residents.

The Property C7 has a site area of 4,669 square metres, with a total gross floor area of 29,977 square metres, where it will be developed for residential and parking purposes occupying 13 storeys and one basement consisting of 345 residential units, a commercial unit, 147 carpark units and 29 motorcycle parking spaces. A new Urbanistic Conditions Plan was issued by the Land and Urban Construction Bureau (“DSSCU”) on 29th June 2023, and the development period of Property C7 was extended to 21st August 2026 by the DSSCU on 3rd July 2023. The Group had subsequently revised its development plan and submitted it to the DSSCU for approval in July 2023. On 5th October 2023, the development plan was conditionally approved by the DSSCU, and the construction permit for the foundations and retaining works of the Property C7 was issued on 5th December 2023. During the Reporting Period, the Group has entered into an operation entrustment agreement and a main sale agreement with a well-known Macau property developer, where construction works commenced on 14th December 2023.

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. The Taiwan Property had completed renovation works in 2022 and is ready to be rented out. The Group is currently sourcing tenants for the Taiwan Property.

#### **MULTI-MEDIA AND ENTERTAINMENT BUSINESS OPERATIONS**

The Group has established a wholly-owned subsidiary 杭州英明向太多媒體有限公司 (“YMXT”) in China on 24th March 2023, focusing on the development, promotion and operation of livestreaming e-commerce on multi-channel network e-commerce platforms. Ms. Chen Ming Yin, Tiffany (“Ms. Chen”) uses her social influence and social followers as a key opinion leader for marketing, endorsement and product placements of products and services to generate revenue, profit, branding and awareness for the Group. On 7th May 2023, the Group commenced livestreaming e-commerce activities on Douyin using Ms. Chen’s Douyin account. The Group intends to develop YMXT into a multi-channel network company, which will involve both livestreaming e-commerce on internet platforms and the wholesale, trading, import and export of products.

## CHINA STAR'S SUSTAINABILITY APPROACH

The entertainment industry is beginning to make an effort to migrate towards more sustainable practices, while the property development industry has conventionally put safety and quality at the forefront of sustainability issues. The livestreaming e-commerce industry has untapped potential to cultivate a sustainability-centred industrial culture. At China Star, we strive to pursue sustainable development and fulfil our corporate social responsibility to play our part in creating a better world for future generations.

### SUSTAINABILITY GOVERNANCE

A robust sustainability governance approach is required to ensure objectives are achieved in a streamlined manner and that management consistently exercises a high degree of responsibility and accountability.

The Board assumes the responsibility of overseeing all ESG-related matters and laying down the strategic direction towards sustainability. To this end, the Board evaluates and manages ESG issues by engaging in stakeholder dialogue and conducting materiality assessments to validate the prioritisation of material ESG issues. The Board also monitors progress made on ESG-related objectives by reviewing relevant targets and initiatives during annual Board meetings.

The Group has a robust risk management mechanism in place, which is guided by a three-tier risk management framework. As the first line of defence, the management is in charge of identifying and assessing the significance of potential risks including ESG-related and climate-related risks, implementing mitigation measures and monitoring any changes, where the progress made is reported to the Board. The Executive Directors act as the second line of defence defining rule sets and providing technical support. As the final line of defence, the Audit Committee supported by an external consultant confirms that the first and second lines of defence are effective through inspection and monitoring. The Group's risk management system is reviewed by an external consultant annually, where the Board evaluates the findings and recommendations to continuously improve the Group's ESG risk management procedures.



## SUSTAINABILITY STRATEGY

China Star has formulated a sustainability strategy that shapes its trajectory in achieving sustainable development and embodies its vision in delivering positive impact on the environment and society. Within this blueprint, our aspirations to become a company that embraces sustainable growth are presented under the four pillars of Governance, Operations, People and Environment, where we also aim to influence all stakeholders to always act ethically. We aspire to contribute to the United Nations (“UN”) Sustainable Development Goals (“SDGs”). Thus, we have aligned our sustainability strategy with five SDGs that are identified to be the most relevant to our operations to enable us to address important global issues.



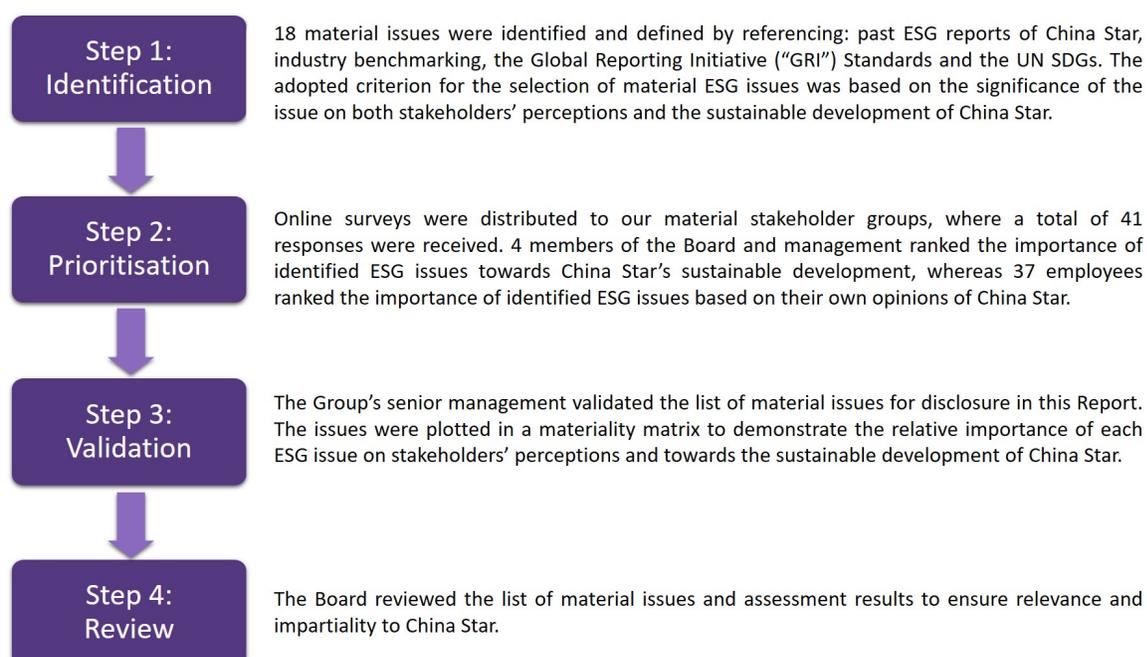
## STAKEHOLDER ENGAGEMENT

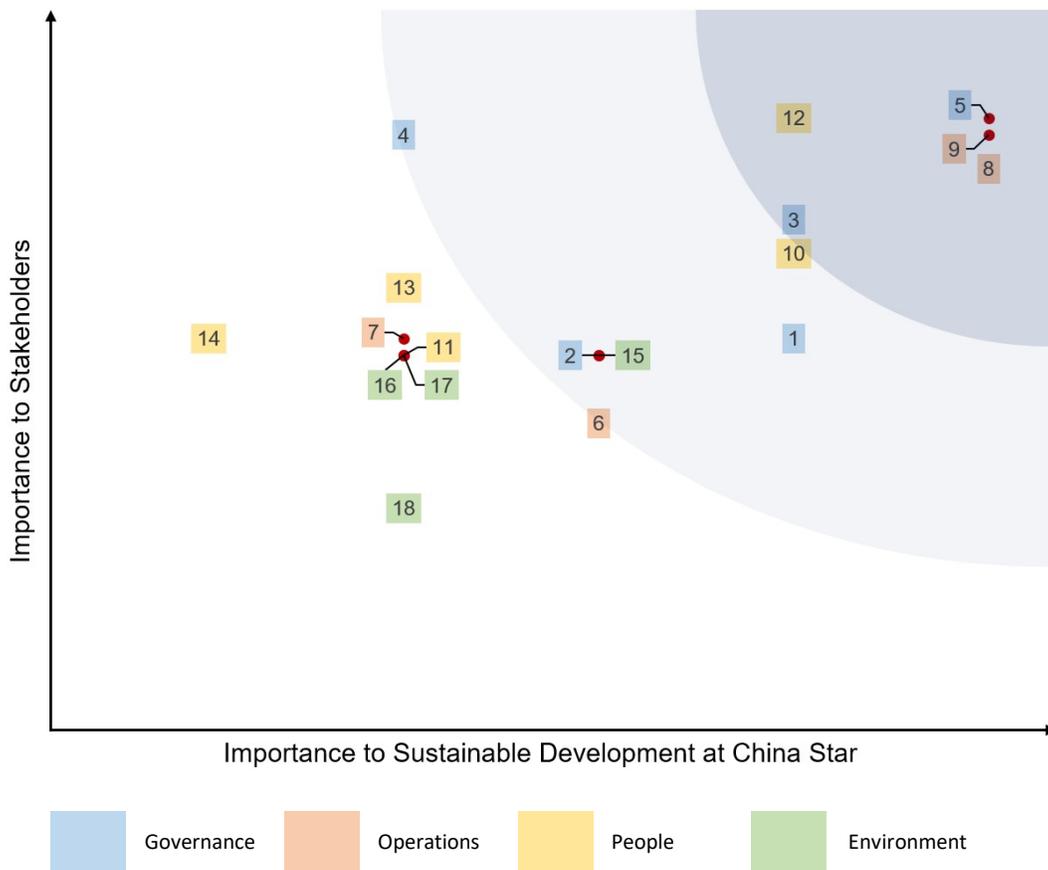
The Group endeavours to engage with its stakeholders to understand their expectations and handle their concerns relating to the Group’s sustainable development approach. During the Reporting Period, we have adopted the following engagement channels to ensure their priorities are reflected in corporate decision making.

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

## MATERIALITY ASSESSMENT

China Star commissioned an independent sustainability consultancy, CKP Sustainability Consultants Limited, to conduct a materiality assessment during the Reporting Period, which is fundamental for identifying sustainability challenges that will have an impact on strategic planning. The following approach was adopted to determine the relevance and importance of ESG issues to our operations:





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

In the materiality assessment, an average score was determined from the survey results to evaluate the overall importance of ESG issues and aspects towards all stakeholders. Hence, it is concluded that the report structure should be as follows:



## GOVERNANCE



The Group has a robust governance framework in place to facilitate a transparent and accountable management approach and safeguard the interests of stakeholders. Our formulated processes and controls relating to anti-corruption, intellectual property rights, labour standards, data privacy and security, and marketing responsibility enable us to build an ethical corporate culture and maintain compliance with local laws and regulations. For further information regarding relevant laws and regulations, please refer to the “Laws and Regulations Compliance” section.

### ANTI-CORRUPTION

Upholding integrity in the workplace is the cornerstone of China Star’s operations, where we have stringent measures in place to tackle any forms and signs of corruption.

To this end, we have developed a Code of Conduct, which is stipulated in the Staff Handbook, that establishes our principles on championing ethical behaviour. As mentioned, we rigorously comply with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and adopt a zero-tolerance approach to any form of misconduct, bribery and corruption. Employees are reminded that soliciting or accepting an advantage without permission from the Group is unlawful and strictly prohibited. Our Code of Ethics and Securities Transactions, which adheres to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), states that employees who are likely to be in possession of price-sensitive information must refrain from dealing in the securities of the Group. It also lays out our policies and procedures on handling conflicts of interests, which should be avoided and declared to the Group where possible. For our multi-media and entertainment business operations in China, our contracts include provisions relating to bribery and corruption and must be approved by department heads, where corresponding reporting procedures are also defined. Employees who violate any of these regulations will be subject to disciplinary action and may be referred to legal authorities for prosecution.

To encourage stakeholders to report suspicious behaviour committed by employees, we have formulated a whistle-blowing policy that lists out our procedures on handling legitimate concerns of malpractice. The policy states that stakeholders can confidentially report their concerns via writing or e-mail to the Audit Committee Chairman, who will assess the case. The Audit Committee Chairman or a nominated staff member will write to the complainant stating whether the matter will be investigated and the expected timeframe. 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, our Macau employees attended a 1-hour anti-corruption training focusing on "Preventing and Suppressing Bribery in the Private Sector" delivered by the Commission Against Corruption of Macau (CCAC). 22 employees consisting of intermediate and general level staff developed knowledge on how to recognise and avoid corruptive behaviour as well as uphold ethical business practices. They were also provided with a booklet for supplementary learning.



## INTELLECTUAL PROPERTY RIGHTS PROTECTION

China Star acknowledges the importance of observing and 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 respect the owners of IP, we obtain authorisation prior to usage and comply with all applicable terms of use. We also verify that necessary licensing agreements are signed, and trademarks are promptly registered where necessary. Our employment letter reminds employees to exercise caution to avoid any potential IP rights infringements of third parties. During the Reporting Period, we did not record any violations of IP infringement.

## LABOUR STANDARDS

Our rigorous procedures to protect fundamental human rights enables us to stamp out child labour, forced labour and underage workers. During the recruitment process, China Star conducts background checks and identity verification on all job applicants against their provided documents. In particular, our Macau operations carefully examines the age declared and type of identification card held by applicants to strictly comply with the regulations of the labour laws of Macau, including the Law for the Employment of Non-resident Workers (Law No. 21/2009). If information or identities are discovered to be fraudulent, the Group will immediately terminate the person's recruitment or employment. 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.

## INFORMATION PRIVACY AND SECURITY

We pay great attention to upholding a robust information system in order to safeguard the privacy and maintain the security of customer and employee data, which will be treated as strictly private and confidential. Only directors and designated personnel are granted authorisation rights to access such data, and they must rigorously adhere to 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 C3 of the Listing Rules of the Stock Exchange. Employees who are in violation of these regulations may be subject to disciplinary action, including but not limited to summary dismissal.

Prior to the commencement of duties, employees are required to sign the employment letter, which contains provisions on data protection. Furthermore, the Staff Handbook and included Code of Conduct within, which is monitored by the Administration Department, lays out the Group's standards regarding data management. As stated, employees are prohibited from disclosing all confidential information of the Group 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 interests. For Tiffany House, we have developed a data access control system and robust filing system as well as provided relevant training to employees to secure the personal data of our clients.

For our multi-media and entertainment business operations in China, data privacy settings that restrict access to designated personnel are activated on our internal communication software, in which data access is controlled based on the different grades of employees. Pre-approval is also required prior to communicating important information to customers. In addition, conversations with customers on the company duty phone are managed by dedicated staff members.

## MARKETING RESPONSIBILITY

The Group aims to practise responsible marketing and advertising activities. In relation to our property development and investment operations in Macau, the accuracy and genuineness of all images and descriptions used for online and offline marketing channels such as websites, billboards and real estate agents are verified. In relation to our multi-media and entertainment business operations in China, we employ e-commerce livestreaming and short-form videos on platforms including Douyin and Xiaohongshu, where local laws and regulations, including the Advertising Law of the People's Republic of China, as well as platform policies are strictly adhered to. Furthermore, pre-review, real-time monitoring and archiving procedures are in place relating to the marketing and advertising of cultural products to reinforce copyright compliance. 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 committed to operating with the highest standards of excellence. Thus, we exert our utmost efforts to deliver products and services that are high quality and safe, as well as professional customer service to ensure customers are always satisfied. We closely collaborate with our suppliers to build a responsible supply chain that prioritises the integration of environmental and social factors for building design and construction.

### PRODUCT AND SERVICE QUALITY AND SAFETY

By establishing a robust quality assurance process, China Star places quality and safety at the heart of its operations in relation to its provided products and services.

Regarding our property development and investment operations in Macau, we have established building management services teams, which conduct daily checks to oversee safety, maintenance and the environmental conditions of Tiffany House. Prior to the handover of properties to buyers, the building management services teams and in-house construction team will inspect the units to reinforce our high standards of quality and safety. To address any identified defects, buyers are provided with a warranty, and a work order with a target timeline will be created.

Regarding our multi-media and entertainment business operations in China, we have formulated a series of stringent quality assurance measures to safeguard the quality of suppliers' products and comply with the Product Quality Law of the People's Republic of China. Suppliers are required to obtain certification on their products, where they must seek a third-party quality inspection agency certified with the China Metrology Accreditation (CMA) or by the China National Accreditation Service for Conformity Assessment (CNAS) to conduct inspections according to the national requirements on product sensory, physical and chemical, functional and other related aspects. In particular, special products such as make-up, disinfection and organic products must be certified and issued with certification by the relevant national agencies. Our Quality Control Department will rigorously inspect suppliers' products and certifications. Suppliers that pass our quality assurance procedures will be eligible to market their products through our livestreaming accounts.

To handle product quality issues mentioned by customers, we will investigate the case by analysing the problem and liaise with suppliers to solve the problem. In the event of a customer complaint to the market regulatory agency, we will promptly cooperate with the agency to rectify the situation and instruct the responsible suppliers to initiate their product recall procedures. During the Reporting Period, no such customer complaint was received by the Group.

## CUSTOMER SERVICE AND SATISFACTION

The Group pays great attention to building strong relationships with customers and solving their problems to continuously maintain high customer satisfaction levels. China Star operates a dedicated e-mail account for managing customer complaints, where each matter is addressed by the financial controller.

In relation to our property development and investment operations in Macau, we distribute customer satisfaction surveys on a quarterly basis to better understand their needs and expectations. Once customer complaints are received, junior staff will aim to resolve their problems face-to-face. If this is unsuccessful, a superior will then take charge and follow-up on the case. An incident report will be filed and reported to top management for evaluation and to prevent recurrence.

In relation to our multi-media and entertainment business operations in China, the customer service department regularly checks, collects and processes customer feedback to verify that our services meet or exceed customer expectations. In the event of a customer complaint, customer service personnel will promptly communicate with the customer, and a special customer complaint handling window and channel is ready to facilitate an agreement or solution.

During the Reporting Period, our multi-media and entertainment business operations received 305 complaints relating to provided products, which were predominantly resolved, properly handled or awaiting the customer's response.

## SUPPLY CHAIN MANAGEMENT

Building harmonious and respectful relationships with partners is a fundamental aspect of China Star's supply chain management approach. Prior to partnering with suppliers, they must be able to meet our standards on safety, cost, quality, delivery and reliability. We engage with suppliers through methods such as telephone calls, face to face meetings, e-mail correspondence, WeChat, video conferencing and so on.

Regarding our property development and investment operations in Macau, our Requisition Policy and Procedure states that all requests for products and services must be signed and approved by relevant personnel. Regarding our multi-media and entertainment business operations in China, the responsibilities and expectations of suppliers including quality, delivery times and after-sales service are stipulated through contracts, which apply to all provided products and services. To support the effective implementation and monitoring of supplier engagement practices for our multi-media and entertainment business operations, we engage in mystery shopping to inspect products or services, conduct quantitative evaluations on suppliers' performance and establish a two-way feedback mechanism to encourage improvements.

To uphold the principle of fairness, we have formulated procurement procedures and guidelines for the tendering process that are applicable to suppliers at our Hong Kong and Macau operations:

### 的 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 and product knowledge, as well as reputation in timeliness, customer service and safety.
- Ensure suppliers are aware of the requirements 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 for Hong Kong and Macau operations and two quotations for comparison for 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.

Due diligence is conducted for suppliers relating to our multi-media and entertainment business operations in China, where we will perform an investigation and risk assessment on aspects including regulatory records, environmental violations and public opinion. Product labels, origins and production licences will also be scrutinised, and clauses regarding product quality are added to contracts. Our implementation and monitoring procedures include using databases and national websites to perform corporate background checks, consulting standards from government agencies, reviewing documents such as purchase orders and customs declarations, and comparing livestreamed with sold products. During the Reporting Period, we have conducted assessments on approximately 942 suppliers and 4,011 products, where roughly 92% and 93% respectively passed our evaluation procedures.

To practise sustainable procurement, we strive to procure from sustainable suppliers that are locally-based and promote the sourcing of products with eco-friendly features, such as biodegradable contents and recyclable packaging, and we will inspect the provided certifications and materials as a monitoring procedure. To this end, China Star has implemented a Green Procurement Policy, which describes its intention to purchase products from locally-based suppliers and with environmentally-friendly qualities such as improved recyclability, reduced packaging, and increased energy and water efficiency amongst others. China Star may also establish environmental standards for suppliers or contractors to comply with throughout the procurement process, with a possibility of suspension for any non-compliance, as well as set its own green objectives and targets on an annual basis. Furthermore, we procure FSC-certified paper and source office furniture and equipment that is durable.

## ENVIRONMENTAL AND SOCIAL INCLUSION IN BUILDING DESIGN

The Group acknowledges that incorporating sustainability during the design stage and construction stage of property is crucial to minimising environmental and social impacts from building operations. For Tiffany House, we liaised with the Environmental Protection Bureau of Macau and other relevant government departments to create a building design that is environmentally-friendly, resource efficient and ultimately reduces the building’s carbon footprint. Thus, several sustainable features were integrated into the unit design of Tiffany House to improve the health of all residents, the surrounding community and ecosystems.

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 are installed, which reduces water contamination and water pollution.

To facilitate social interaction, Tiffany House is equipped with a clubhouse that is for residential use, which provides a diverse range of facilities, including a garden, children’s playhouse, gym room, swimming pool as well as private restaurants that can host orientation activities, such as cooking classes and dining events.

## PEOPLE



At China Star, our people are the driving force and are crucial to our success. The Group's people-centric approach is underpinned by its commitment to providing a healthy and safe work environment in order to safeguard the well-being of its workforce. The Group spares no efforts in attracting and retaining its talented workforce by improving their skills and knowledge and implementing initiatives to enhance employee engagement and diversity. We also aspire to strengthen relationships with the communities in which we operate to promote community development.

### OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees cannot be underestimated. To this end, we have formulated health and safety protocols that adheres to Macau's 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) and can be found in the Staff Handbook to promote a hazard-free workplace.

For our property development and investment operations in Macau, health and safety regulations are in place, which mentions that in the event of a work injury or incident, employees must immediately report the situation to their Department Head. Instructions to handle workplace injuries and fire hazards are stated, whereas alternative work arrangements for typhoons and rainstorms are also described. First aid kits with the first aid guidebook are stored in a convenient location in the office, sales gallery and clubhouse as well as lobbies of Tiffany House, whilst all water dispensers are sanitised periodically. During the Reporting Period, two employees and four employees completed a fire safety training course and occupational health and safety training course respectively.

For our multi-media and entertainment business operations in China, we have adopted a series of measures to safeguard the well-being of employees, including but not limited to installing air filtration equipment, affixing personal hygiene posters in washrooms and public areas, and ensuring appropriate fire extinguishers are available to handle the corresponding fire type.

During the Reporting Period, we were not aware of any non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

### EMPLOYEE ATTRACTION AND RETENTION

The Group is committed to fostering an environment where employees can obtain a sense of belonging and job satisfaction. All employment-related policies are laid out in our Staff Handbook and are in strict compliance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

As part of the competitive remuneration package, employees are offered a basic salary, discretionary year-end bonus, medical, compensation and life insurance, housing allowances, meal allowances as well as contributions to provident funds. Statutory public holidays and various leave benefits, including annual, sick, marriage, maternity, paternity, condolatory and jury service are also provided to employees. During the Reporting Period, a share award scheme was established, where awarded shares are granted to individual employees based on an assessment of their performance. In addition, China employees are offered flexible working hours to accommodate to their needs and personal lifestyles.

To recognise and reward the efforts of our employees, performance appraisals are conducted annually or biannually for first year recruits by the Department Head or supervisor. During this process, the manager will engage in discussions with employees to evaluate their performance against a set of criteria, understand their needs and goals, and support them to achieve their full potential. Employees will also be encouraged to undergo self-evaluation and create a plan for self-development. Upon conclusion of the performance appraisal, an overall performance rating is assigned to employees, which is reviewed by the Administration Department. Adjustments including salary increments, promotions and terminations will be implemented upon a formal written approval from the directors.

## TRAINING AND DEVELOPMENT

The Group is devoted to supporting employees to nurture continuous growth and enhance their professional capabilities. To enhance the competitiveness of our workforce, management level staff manages and coordinates training arrangements, where Department Heads and the Administration Manager will assess the requirements of each department and determine the necessity of building employees' skills and knowledge. We also provide sponsorship opportunities with reimbursements to enable the career progression of our employees.

As part of the on-boarding process, all new employees are provided with orientation training. The Administration Department will inform employees of the Group's history, company philosophies, objectives, policies, rules/regulations and benefit programmes. In addition, the Department Head or supervisor will explain the employee's specific role and responsibilities within the department. Through completion of the orientation training, we intend to boost the employee's confidence and adaptability to the work environment.

During the Reporting Period, 151 employees across the Group completed 310.5 hours of training on topics including property management, building information modelling, orientation, financial affairs and so on.

## EMPLOYEE ENGAGEMENT AND DIVERSITY

We pride ourselves on building a merit-based and inclusive workplace to improve the motivation and well-being of our employees. We have an Equal Employment Opportunities policy in place for both our Hong Kong and Macau operations, which reinforces our commitment to providing an equal and safe workplace for all candidates and employees irrespective of their sex, nationality, marital status, disability and religious belief. Our recruitment, selection and internal promotion procedures are objective and solely based on expertise, experience and performance. Macau employees are additionally provided with job rotation opportunities. We strictly prohibit bias, discrimination or harassment, which is unlawful under the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), and employees who breach our guidelines will be subject to disciplinary action. For our Macau operations, employees are required to comply with Article 69 of the Labour Relations Law (Law No. 7/2008, amended by Law No. 8/2020) and may be dismissed should serious violations occur.

A counselling service or grievance system is set up to nurture the well-being of our employees and enable them to seek guidance on job-related problems. Employees can share their concerns with the Department Head or supervisor or escalate the situation to top management if a consensus cannot be reached. A suggestion system is in place that provides a channel for employees to confidentially raise complaints, questions or suggestions to the Group via written correspondence, where the Administration Department will review and investigate the matter accordingly. To further encourage constructive feedback, employees at our property development and investment operations in Macau are requested to complete a survey during their exit interview.

To engage with employees, during the Reporting Period, the Group organised departmental lunch meetings to promote team building for employees at its Macau operations, and birthday celebrations as well as team building activities for employees at its China operations. Moving forward, we aim to arrange additional activities to strengthen the morale and work-life balance of our workforce.



## COMMUNITY RELATIONSHIP

The Group is enthusiastic about building relationships with local communities to empower individuals and improve the quality of life, with an aim to foster sustainable growth. The Administration Department is in charge of managing the Group's community engagement initiatives and establishing partnerships with charities. During the Reporting Period, we collaborated with The One Foundation to assist them with the handling of administrative matters. Due to the ongoing nature of the collaboration, we were unable to determine the appropriate focus areas relating to our engagement and quantify the amount of resources contributed to the focus areas or organisation. Moving forward, the Group shall focus its efforts on coordinating initiatives to drive change on important social issues.

## ENVIRONMENT



China Star acknowledges the importance of reducing its environmental footprint in order to protect our planet. We strive to practise environmental stewardship and thus, adopt a mindful approach to minimising emissions, managing waste and raw materials, and conserving natural resources, especially energy and water. Through these measures, we are committed to playing a part in addressing one of the biggest challenges of our times - climate change.

The Group's operations are predominantly office-based, and it is considered to have a relatively minor impact on the environment and natural resources. Nevertheless, we periodically distribute notices to employees, which act as guidelines and reminders to save energy and water as well as responsibly dispose of waste, whilst implementing various measures to reinforce our commitment to protecting the environment. 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.

### EMISSIONS MANAGEMENT

China Star focuses its efforts on controlling emissions in order to reduce the environmental impact deriving from operations. We encourage employees to be mindful of their carbon footprint and pursue a low carbon lifestyle to limit emissions. For our property development and investment operations in Macau, the contractor and subcontractors of the Property C7 are required to maintain compliance with all local laws and regulations relating to managing emissions, including the Environmental Law (Law No. 2/91/M). To minimise noise emissions from construction equipment and the subsequent impact on local communities, we ensure that the contractor's procedures are in line with 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.

For further information regarding greenhouse gas ("GHG") emissions, please refer to the "Climate Change" subsection under the "Environment" section.

## WASTE AND MATERIALS MANAGEMENT

Practising responsible waste and materials management is a primary objective of our operations. For the Property C7, waste generated at the construction site is handled by the contractor, where we encourage them to properly dispose of waste where possible. To prevent public nuisances, we also prohibit the contractor and subcontractors from discarding waste in public spaces.

For our Macau operations, we test IT-related equipment and store them in a designated area ready for disposal. Once a sufficient amount of electronic waste is collected, we contact the Environmental Protection Bureau (DSPA) and Municipal Affairs Bureau (IAM) of the Macau government to arrange a recycling collection. A disposal form and an exit form will be issued by the waste contractor, and these documents will be filed for our record-keeping purposes. In addition, ink cartridges are collected by the vendor for recycling.

For our Hong Kong and Macau operations, we have put in place several measures to minimise paper consumption and waste generation:

### 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 electrical appliances only when necessary.

We encourage Tiffany House residents, shop tenants and employees to separate their waste into different categories, such as recyclables, organic waste, hazardous materials and general waste, where clear guidelines are provided. After separation, waste is then stored in designated bins that are clearly labelled. Once the recycling bins have reached maximum capacity, we will contact the relevant government department to arrange a collection.



During the Reporting Period, hazardous waste generated at our Hong Kong operations include 7 toner cartridges, which were recycled by the contractor, whereas there was no non-hazardous waste produced. At our Macau operations, we generated hazardous waste of 280 batteries and 6 ink cartridges, which were recycled by the contractor or vendor, whereas we disposed of non-hazardous waste consisting of 400 pieces of paper towels and 200 rolls of toilet paper by landfill. At our China operations, waste generation data is not available due to a lack of waste management records. Moving forward, we aim to develop a waste monitoring system to improve our waste management approach.

## RESOURCE MANAGEMENT (ENERGY AND WATER)

We have a duty to conserve natural resources by reducing energy and water consumption, and optimising the efficiency of such resources. Employees are regularly reminded to always adopt best practices to save energy and water. We participated in the “Earth Hour 2023” and “Earth Hour 2024” initiative, where we signed a pledge to reinforce our commitment to environmental protection, switched off all non-essential lights at our Hong Kong operations, and encouraged employees as well as their friends and families to participate in this global environmental movement. Furthermore, we have affixed water saving stickers at our sales gallery for Macau operations, and the public washroom of the clubhouse at Tiffany House is fitted with sensor taps to reduce the water flow rate. To further reduce its impact on the environment and natural resources as well as minimise emissions, the Group has implemented the following set of energy and water conservation measures:

### Energy and Water Saving Measures

- Switching off all electrical appliances, including air-conditioning systems, computers, printers and fax machines when not in use.
- 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 Group's electricity and water usage during the Reporting Period is illustrated in the following table, where the Group did not experience any difficulties in sourcing water that is fit for purpose:

Aspect	Unit	Hong Kong Operations	Macau Operations	Tiffany House	Multi-media & Entertainment <sup>1</sup>
Electricity Usage	kWh	72,611.43	91,519.17	37,111.60	N/A
Water Usage	m <sup>3</sup>	30.02	76.28	781.01	N/A

## CLIMATE CHANGE

Climate change is undoubtedly a pressing issue that requires our immediate attention in order to prevent irreversible damage to our economies, societies and environment. The Group acknowledges the importance of preparing for the foreseeable and unforeseeable risks and impacts driven by climate change.

The Board is informed about climate-related issues through the internal control report produced by external consultants and periodic board meetings, where the Board will review the progress made on climate-related targets. To build climate governance and resilience as well as strengthen employees' awareness, during the Reporting Period, the Group organised a 1-hour climate change training, which was attended by 31 employees at our Hong Kong and Macau operations. The Group is also in the process of formulating a climate change policy to improve its oversight of climate-related matters.

To identify and assess risks, the Group has performed a preliminary climate-related risk assessment and adopted the recommendations published by the Task Force on Climate-Related Financial Disclosures ("TCFD"). Physical risks (acute and chronic) and transition risks (policy, legal, technology and market) were assessed, where 9 risks were identified to be relevant to our operations. Each climate-related risk was then assigned a risk level by evaluating the likelihood and severity, where risks were prioritised for risk management and mitigation based on the materiality of their operational or financial impacts on our business strategy and financial planning. Our three-tier risk management framework incorporates these processes to identify, assess and manage climate-related risks.

Through this assessment, all climate-related risks were concluded to be low-risk to the Group. Upon risk prioritisation and further evaluation of their corresponding impacts, it was determined that typhoons and extreme precipitation would affect our revenue due to the inability of employees to report for work, and enhanced emissions-reporting obligations would increase our costs due to the hiring of external consultants to ensure compliance. Thus, we have developed measures to mitigate these climate-related risks with material impacts, including implementing a work-from-home system and liaising closely with sustainability consultants.

<sup>1</sup> Electricity and water records are not available as these are paid for by the building management company.

To understand and accurately measure the impact of the Group’s GHG emissions, we engaged an independent sustainability consultancy. The quantification methodologies used to calculate GHG emissions 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 emission factors are provided by the relevant utility companies in Hong Kong and Macau as well as the Chinese government.

During the Reporting Period, our GHG emissions primarily originated 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) accounted for a relatively minor proportion of GHG emissions. The Group’s GHG emissions is presented in the following table:

Aspect	Unit	Hong Kong Operations	Macau Operations	Tiffany House	Multi-media & Entertainment <sup>2</sup>
Scope 1 - Direct Emissions and Removals	Tonnes of CO2e	24.30	24.67	N/A	N/A
Scope 2 - Energy Indirect Emissions	Tonnes of CO2e	49.11	55.74	22.60	N/A
Scope 3 - Other Indirect Emissions	Tonnes of CO2e	0.02	20.21 <sup>3</sup>	206.97 <sup>3</sup>	N/A
Total GHG Emissions (Scope 1-3)	Tonnes of CO2e	73.43	100.62	229.57	N/A

<sup>2</sup> There are no vehicles owned, and electricity and water records are not available.

<sup>3</sup> Includes GHG emissions generated from electricity used for fresh water processing only.

In 2021, we established a set of environmental targets for emissions and energy to reinforce our commitment to tackling climate change and making strides in our environmental performance. Water was considered to be immaterial to our operations, whilst waste targets were not set due to the limited availability of accurate data. However, we aim to strengthen our approach and set waste related targets in the future. Our endeavours have enabled us to achieve the following progress (all applicable figures are rounded to 2 decimal places):

Scope and Aspect	Targets	2023 Progress
Hong Kong Operations – Emissions	<ol style="list-style-type: none"> <li>1) By 2026, reduce absolute greenhouse gas emissions (Scope 1-3) by 10%, compared to a FY19 baseline.</li> <li>2) By 2026, reduce greenhouse gas emissions (Scope 1 - 3) intensity (tCO<sub>2</sub>e / full-time employee (“FTE”)) by 10%, compared to a FY19 baseline.</li> </ol>	<ol style="list-style-type: none"> <li>1) Reduced by 27.59%</li> <li>2) Reduced by 11.04%</li> </ol>
Hong Kong Operations – Energy	<ol style="list-style-type: none"> <li>1) By 2026, reduce absolute energy usage by 3%, compared to a FY19 baseline.</li> <li>2) 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).</li> <li>3) By 2024, at least 50% of newly purchased electrical appliances in the office should carry energy-saving labels.</li> </ol>	<ol style="list-style-type: none"> <li>1) Reduced by 22.06%</li> <li>2) We have participated in the “Earth Hour 2024” initiative</li> <li>3) We have purchased three electrical appliances, where two appliances carry energy-saving labels</li> </ol>
Macau Operations – Energy	<ol style="list-style-type: none"> <li>1) By 2026, reduce electricity usage intensity (kWh / FTE) by 72%, compared to a FY18 baseline.</li> <li>2) By 2026, reduce energy usage intensity (MJ / FTE) by 72%, compared to a FY18 baseline.</li> </ol>	<ol style="list-style-type: none"> <li>1) Reduced by 3.29%</li> <li>2) Increased by 87.80%</li> </ol>

## LAWS AND REGULATIONS COMPLIANCE

Our policies, practices and procedures are monitored and reviewed through various measures to strengthen compliance with the applicable legislation of relevant jurisdictions. Relevant laws and regulations that have a significant impact on the Group's operations in Hong Kong, Macau and Mainland China during the Reporting Period are illustrated in the following tables:

### Governance

*Applicable in Hong Kong:*

- Prevention of Bribery Ordinance (Cap. 201)
- Personal Data (Privacy) Ordinance (Cap. 486)
- Securities and Futures Ordinance (Cap. 571)
- Companies Ordinance (Cap. 622)

*Applicable in Macau:*

- 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 revoked by Law No. 21/2009)

*Applicable in Mainland China:*

- Anti-Unfair Competition Law of the People's Republic of China
- Patent Law of the People's Republic of China
- Trademark Law of the People's Republic of China
- General Principles of the Civil Law of the People's Republic of China
- Data Security Law of the People's Republic of China
- Personal Information Protection Law of the People's Republic of China
- Advertising Law of the People's Republic of China

### Operations

*Applicable in Macau:*

- Urban Planning Law (Law No. 12/2013)
- Condominium management commercial activity law (Law No. 12/2017)
- Legal regime for the administration of common parts of the condominium (Law No. 14/2017)
- Legal regime for lift safety (Law No. 14/2022)

*Applicable in Mainland China:*

- Product Quality Law of the People's Republic of China
- The Tort Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests
- E-Commerce Law of the People's Republic of China

## People

### *Applicable in Hong Kong:*

- Employment Ordinance (Cap. 57)
- Employees' Compensation Ordinance (Cap. 282)
- Hong Kong Bill of Rights Ordinance (Cap. 383)
- Sex Discrimination Ordinance (Cap. 480)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Occupational Safety and Health Ordinance (Cap. 509)
- Minimum Wage Ordinance (Cap. 608)

### *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, amended by Law No. 4/2013)
- Legal Framework for Fire Safety of Buildings and Premises (Law No. 15/2021, repealed 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 revoked by Law No. 6/2015)
- Law on occupational health and safety in civil construction (Law No. 2/2023, repealed Decree No. 44/91/M)
- Legal regime for urban construction (Law No. 14/2021, repealed Decree No. 79/85/M)

### *Applicable in Mainland China:*

- Regulation on Public Holidays for National Annual Festivals and Memorial Days
- Employment Promotion Law of the People's Republic of China
- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China

## 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	Multi-media & Entertainment <sup>4</sup>
<b>Environmental<sup>5</sup></b>					
Nitrogen Oxide Emissions (NOx)	kg	5.23	5.95	N/A	N/A
Sulphur Oxide Emissions (SOx)	kg	0.13	0.14	N/A	N/A
Particulate Matter (PM)	kg	0.39	0.44	N/A	N/A
GHG Emissions (Scope 1)	tCO <sub>2</sub> e	24.30	24.67	N/A	N/A
GHG Emissions (Scope 2)	tCO <sub>2</sub> e	49.11	55.74	22.60	N/A
GHG Emissions (Scope 3)	tCO <sub>2</sub> e	0.02	20.21 <sup>6</sup>	206.97 <sup>6</sup>	N/A
Total GHG Emissions (Scope 1-3)	tCO <sub>2</sub> e	73.43	100.62	229.57	N/A
GHG Emissions Intensity by Revenue <sup>7</sup>	tCO <sub>2</sub> e / HK\$'000	0.00			
GHG Emissions Intensity by Area <sup>8</sup>	tCO <sub>2</sub> e / m <sup>2</sup>	0.06	0.09	0.01	N/A
Petroleum Usage	Litre	9,102.69	9,241.49	N/A	N/A
Electricity Usage	kWh	72,611.43	91,519.17	37,111.60 <sup>9</sup>	N/A
Total Energy Usage	MJ	567,069.50	639,798.25	133,601.76	N/A
Energy Usage Intensity by Revenue	MJ / HK\$'000	6.50			
Energy Usage Intensity by Area	MJ / m <sup>2</sup>	426.63	592.00	2.94	N/A
Water Usage	m <sup>3</sup>	30.02	76.28	781.01 <sup>9</sup>	N/A
Water Usage Intensity by Area <sup>10</sup>	m <sup>3</sup> / m <sup>2</sup>	0.09	0.08	0.02	N/A

<sup>4</sup> There are no vehicles owned, whilst electricity and water records are not available as these are paid for by the building management company.

<sup>5</sup> All figures are rounded to 2 decimal places, unless otherwise specified.

<sup>6</sup> Due to an enhanced calculation methodology, scope 3 GHG emissions has been calculated for 2023 and includes GHG emissions generated from electricity used for fresh water only.

<sup>7</sup> The total revenue of the Group is recorded at approximately HK\$ 206,168,000 for the financial year 2023.

<sup>8</sup> The total gross floor area of the Group's operational sites for Hong Kong operations, Macau operations, Tiffany House (excluding units that are used as part of Macau's operations) and multi-media and entertainment business operations is approximately 1,329 m<sup>2</sup>, 1,081 m<sup>2</sup>, 45,507 m<sup>2</sup> and 6,040 m<sup>2</sup> respectively.

<sup>9</sup> In 2023, the Group was financially or operationally responsible for the electricity and water usage of only certain areas within Tiffany House. Hence, there is a significant fluctuation between 2023 and 2022 figures.

<sup>10</sup> 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	Multi-media & Entertainment
<b>Social<sup>11</sup></b>				
Total Workforce	Person(s)	35	22	179
<i>Workforce by Gender</i>				
Male	Person(s)	14	11	92
Female	Person(s)	21	11	87
<i>Workforce by Employment Category</i>				
Senior Level	Person(s)	10	0	5
Intermediate Level	Person(s)	16	5	14
General Level	Person(s)	9	17	160
<i>Workforce by Age Group</i>				
<30 Years Old	Person(s)	1	0	158
30-50 Years Old	Person(s)	8	16	21
>50 Years Old	Person(s)	26	6	0
<i>Workforce by Geographical Region</i>				
Hong Kong	Person(s)	34	0	0
Mainland China	Person(s)	1	0	178
Taiwan	Person(s)	0	0	1
Macau	Person(s)	0	22	0
<i>Turnover Rate</i>				
Total Turnover Rate	%	13.70	9.23	N/A <sup>12</sup>
<i>Turnover Rate by Gender</i>				
Male	%	20.69	5.71	N/A
Female	%	9.09	13.33	N/A

<sup>11</sup> As Tiffany House is a property development and investment project, its social data does not exist.

<sup>12</sup> Since the multi-media and entertainment business operations was established during the Reporting Period, its turnover rate does not exist.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations	Multi-media & Entertainment
<i>Turnover Rate by Age Group</i>				
<30 Years Old	%	0.00	0.00	N/A
30-50 Years Old	%	42.11	9.30	N/A
>50 Years Old	%	3.92	14.29	N/A
<i>Turnover Rate by Geographical Region</i>				
Hong Kong	%	5.88	N/A	N/A
Mainland China	%	66.67	N/A	N/A
Taiwan	%	200.00	N/A	N/A
Macau —	%	N/A	67.69	N/A
<i>Employees Trained<sup>13</sup></i>				
Total Employees Trained	%	37.14	59.09	69.83
<i>Employees Trained by Gender<sup>14</sup></i>				
Male	%	21.43	27.27	76.09
Female	%	47.62	90.91	63.22
<i>Employees Trained by Employment Category<sup>14</sup></i>				
Senior Level	%	40.00	N/A	40.00
Intermediate Level	%	25.00	100.00	57.14
General Level	%	55.56	47.06	71.88
<i>Average Training Hours</i>				
Average Training Hours per Employee	Hours / employee	1.14	9.45	0.35
<i>Average Training Hours per Employee by Gender</i>				
Male	Hours / employee	0.71	6.55	0.38
Female	Hours / employee	1.43	12.36	0.32

<sup>13</sup> Number of employees trained divided by the total number of employees as of 31 December 2023.

<sup>14</sup> Number of employees trained in the specified category divided by the total number of employees in the specified category as of 31 December 2023.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations	Multi-media & Entertainment
<i>Average Training Hours per Employee by Employment Category</i>				
Senior Level	Hours / employee	3.00	N/A	0.20
Intermediate Level	Hours / employee	0.31	24.20	0.29
General Level	Hours / employee	0.56	5.12	0.36
<i>Number of Work-related Fatalities and Injuries</i>				
Work-related Fatalities <sup>15</sup>	Person(s)	0	0	0
Work-related Injuries	Person(s)	0	0	0
Work-related Injury Rate	Per person	0.00	0.00	0.00
Lost Days due to Work-related Injury	No. of days	0	0	0
<i>Number of Suppliers</i>				
Total Number of Suppliers	No.	44	48	183
<i>Number of Suppliers by Geographical Region</i>				
Hong Kong	No.	11	3	0
Mainland China	No.	6	1	183
Macau	No.	26	44	0
Overseas	No.	1	0	0

<sup>15</sup> Work-related fatalities includes 2023, 2022 and 2021 figures.

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>Mandatory Disclosure Requirements</b>		
<b>Governance Structure</b>		
	A statement from the board containing the following elements: 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.	China Star’s Sustainability Approach - Sustainability Governance, Sustainability Strategy, Stakeholder Engagement, Materiality Assessment
<b>Reporting Principles</b>		
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:  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.  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.  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.	About This Report  China Star’s Sustainability Approach - Stakeholder Engagement, Materiality Assessment  Performance Data Summary
<b>Reporting Boundary</b>		
	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.	About This Report

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.	Environment - Emissions Management, Waste and Materials Management  Laws and Regulations Compliance
KPI A1.1	The types of emissions and respective emissions data.	Environment - Climate Change  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 - Climate Change  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 and Materials 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 and Materials Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment - Emissions Management, Climate Change
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 - Waste and Materials Management, Climate Change
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment - Resource Management (Energy and Water)
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 (Energy and Water)  Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment - Resource Management (Energy and Water)  Performance Data Summary

KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment - Resource Management (Energy and Water), Climate Change
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 - Resource Management (Energy and Water), Climate Change
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 and investment and livestreaming e-commerce business
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment - Emissions Management, Waste and Materials Management, Resource Management (Energy and Water)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment - Emissions Management, Waste and Materials Management, Resource Management (Energy and Water)
<b>Aspect A4: Climate Change</b>		
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>B. Social</b>		
<i>Employment and Labour Practices</i>		
<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.	People - Employee Attraction and Retention, Employee Engagement and Diversity  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
<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.	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
<b>Aspect B3: Development and Training</b>		
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
<b>Aspect B4: Labour Standards</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 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>		
<b>Aspect B5: Supply Chain Management</b>		
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 - Intellectual Property Rights Protection, Information Privacy and Security, Marketing Responsibility  Operations - Product and Service Quality and Safety, Customer Service and Satisfaction  Laws and Regulations Compliance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group is not directly involved in the selling or shipment of products, it 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.	Operations - Customer Service and Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance - Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Operations - Product and Service Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Governance - Information Privacy and Security
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

<i>Community</i>		
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