



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 326

2024

Environmental, Social and Governance Report

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ABOUT THIS REPORT

China Star Entertainment Limited (hereinafter referred to as the “Company” or “China Star”, together with its subsidiaries, the “Group”) is 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 2024 to 31st December 2024 (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. Operations in Hong Kong include the same operational sites. Two new operational sites, including a supermarket and restaurant, for operations in Macau commenced activities on 30th April 2024, whilst one of the facilities for the multi-media and entertainment business operations in Mainland China was terminated on 7th August 2024. The property development and investment project remains the same. The Group’s film related business operations are not covered in the reporting scope as its ESG impacts are deemed as unmeasurable and insignificant due to its data availability and business nature.

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, 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.
Balance	This Report provides an unbiased representation of the Group’s performance and identifies areas of improvement.
Consistency	The calculation methodologies and KPIs used remain consistent with previous reports. Hence, a meaningful comparison of ESG data is 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. For further information relating to our corporate governance and financial performance, please refer to our 2024 Annual Report.

ABOUT CHINA STAR

China Star was founded in 1992, establishing its foothold in the entertainment industry. The Group is principally engaged in (1) film-related business operations; (2) property development and investment operations; and (3) multi-media and entertainment business operations. The Group's business operations are primarily located in Hong Kong, Macau and Mainland China.

FILM RELATED BUSINESS OPERATIONS

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.

Film production is the Group's ongoing business, and revenue can come from the sales of the film library and sub-distribution of films on behalf of other film owners. A new production of the Group is in the script writing process and is expected to start production in 2025. The Group also plans to start investment in short dramas and internet movies, which are now very popular in the entertainment market. The Group also has an investment in the production of a film, which is being co-financed with other production companies, and the revenue from this film will be distributed according to the investment percentage as specified in the relevant agreement.

PROPERTY DEVELOPMENT AND INVESTMENT OPERATIONS

The Group has two property development and investment 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, providing 230 residential units, and includes a prestigious clubhouse with a wide range of facilities, including but not limited to a swimming pool, gym room, well-equipped kitchen, yoga and dance room. Tiffany House 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, which is expected to have a higher unit price, has started selling in September 2024. During the Reporting Period, sales of 66 residential units in Tower 1, 16 residential units in Tower 2 and 27 carpark spaces and 5 motorcycle parking spaces were completed. As at 31st December 2024, there were 126 residential units, 243 carpark spaces and 70 motorcycle parking spaces unsold, of which 21 residential units, 5 carpark spaces and 2 motorcycle parking spaces have signed provisional agreements.

During the year, the Macau government has announced substantial changes to Macau’s real estate policy. The standardisation of the maximum mortgage limit across all residences at 70% in January 2024 and the relief of the imposition of punitive taxes in April 2024 have aided those property owners seeking to upgrade or switch to larger units to alter their living conditions. In turn, these measures have benefited the sales of Tiffany House, which has comparatively more large units. Our marketing strategy is “you pay a similar price and you enjoy a larger area” and therefore we have achieved higher transactions this year. Building management services 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 tenants.

According to the Urbanistic Conditions Plan issued by the Land and Urban Construction Bureau (“DSSCU”) on 29th June 2023, the Property C7 has a site area of 4,669 square metres, with a total gross floor area of 29,977 square metres. The Property C7 is formally named as “Lake Yoho”. It will be developed for residential, commercial and parking purposes occupying 13 storeys and one basement, consisting of 312 residential units with 15 villas, a commercial unit, 144 carpark spaces and 30 motorcycle parking spaces at the underground level. In 2023, the Group entered into an operation entrustment agreement and a main sale agreement with a well-known Macau property developer, and the construction works of the Property C7 commenced on 14th December 2023. The Property C7 has completed its topping out on 24th January 2025 and obtained its presale permit on 13th January 2025. The occupation permit is expected to be obtained in the first half of 2026.



MULTI-MEDIA AND ENTERTAINMENT BUSINESS OPERATIONS

The Group established a wholly-owned subsidiary 杭州英明向太多媒體有限公司 in China, focusing on the development, promotion and operation of livestreaming e-commerce on multi-channel network e-commerce platforms and sales of private label products. Ms. Chen Ming Yin, Tiffany (“Ms. Chen”) is an internet celebrity and has an account on Douyin with over ten million followers, where she is an influential key opinion leader for marketing, endorsement and product placements of products and services. We have established a team of talented livestreamers and set up various livestreaming channels on Douyin to enhance our customer base.

During the Reporting Period, apart from continuing to act as the mediator on internet platforms and keeping a margin of commission from advertising fees income for each and every sale that is done through our livestreaming channels, we have developed our private label products and cooperate with other suppliers or factories to produce them. In July 2024, we launched our first private label product “Red Beans Paste (陳皮蓮子紅豆沙)”. In October 2024, we launched another popular product “Beef Jerky (很向样的牛肉干)”, and its slogan is “巴掌大的牛肉乾, 濕潤好嚼絲絲爆香”. During the Reporting Period, we have already launched “Red Beans Paste (陳皮蓮子紅豆沙)”, “Beef Jerky (很向样的牛肉干)”, “Fengheung Pastry (鳳凰酥)” and “Stewed Whole Pear with Osmanthus and White Fungus (桂花銀耳炖整梨)”.

Apart from livestreaming on Douyin, the sales channels of these products include Taobao (淘寶), Rednote (小紅書), Tmall (天貓) and Mini program (微信小程序) in order to increase our sales network. Our private label products have become increasingly recognised in the market, quickly becoming synonymous with “quality, premium and lifestyle” and thereby, our brand is securing millions of returning customers.

CHINA STAR’S SUSTAINABILITY APPROACH

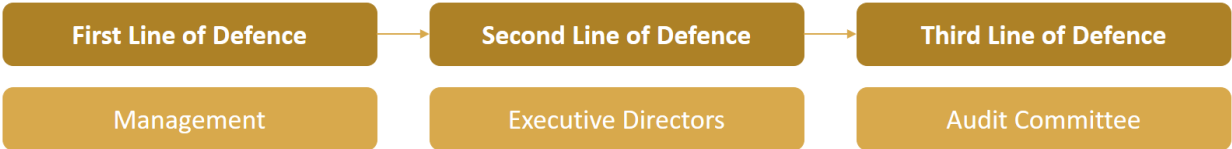
The entertainment industry is beginning to make an effort to migrate towards more sustainable practices, whilst the property development industry has conventionally put safety and quality at the forefront of sustainability issues. The livestreaming e-commerce industry has untapped potential to cultivate a sustainability-centred 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 management consistently exercises a high degree of responsibility and accountability.

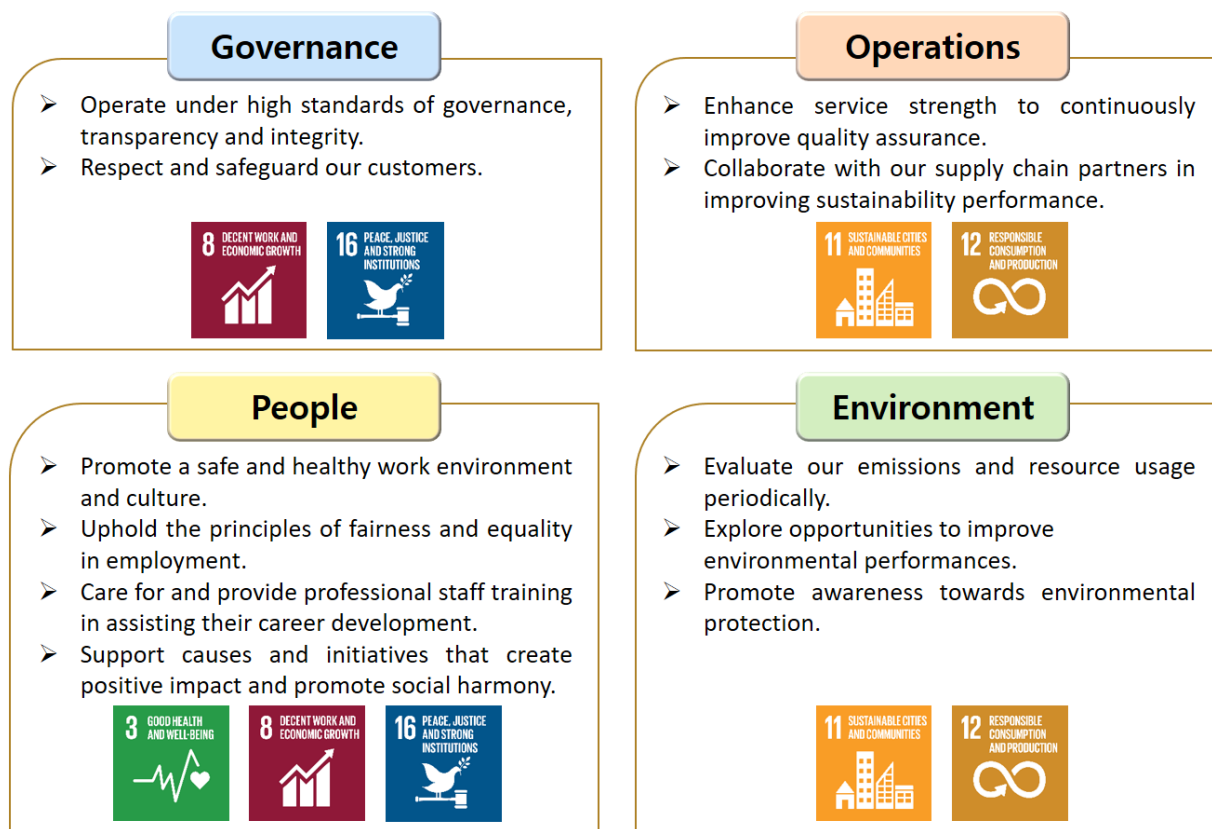
The Board assumes the responsibility of overseeing all ESG-related matters and laying down the strategic direction towards sustainability. To this end, the Board evaluates and manages ESG issues by engaging in stakeholder dialogue and conducting materiality assessments to validate the prioritisation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

The Group has a robust risk management mechanism in place, which is guided by a three-tier risk management framework and underpinned by a refined internal controls system. 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. Through this approach, we ensure that effective response measures are in place to detect emerging ESG-related risks and safeguard the core interests of all our stakeholders.



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.



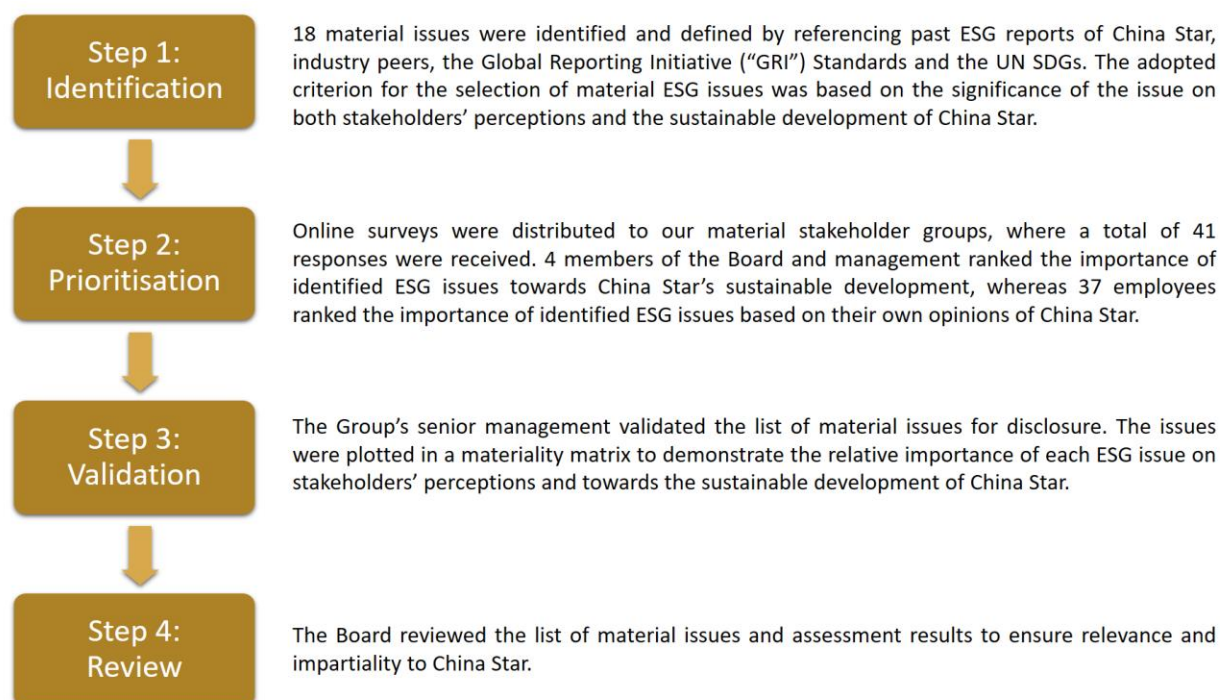
STAKEHOLDER ENGAGEMENT

The Group aspires to engage with its stakeholders to understand their expectations and address 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 our 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

In 2023, China Star commissioned an independent sustainability consultancy, CKP Sustainability Consultants Limited, to conduct a materiality assessment, which is fundamental for identifying sustainability topics, trends, risks and opportunities that will influence 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:



During the Reporting Period, the Board reviewed the materiality assessment results from 2023 and conducted a validation exercise. As there were no significant changes to China Star’s operations and the business environment, it was concluded that the material issues and results maintain continuous relevance and thus are adopted in 2024.

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 it has 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, and an Employee Discipline System for employees at our China operations during the Reporting Period that both establish our principles on championing ethical and responsible behaviour. The guidelines specify that 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 employment contracts and supplier agreements, where the latter must be signed and approved by department heads, include provisions relating to bribery and corruption. Simultaneously, corresponding reporting procedures on suspicious behaviour and an internal reporting portal for employees are also in place. 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 is responsible for executing the procedures and 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, the Group did not organise anti-corruption training for its employees as relevant personnel have mostly undertaken such training in recent years and possess up-to-date knowledge. Moving forward, we will arrange anti-corruption training for staff members to keep abreast of the latest developments and enhance their understanding of best practices.

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. Regarding our multi-media and entertainment business operations in China, we regularly check and update IP applications, which include but are not limited to barcodes, business licenses, trademark registration certificates and copyright protection. 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, amended by Law No. 4/2013). 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 and Financial Controller, lays out the Group's standards regarding data management. As stated, employees are prohibited from disclosing any 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, the Employee Discipline System states that obtaining, using, leaking, disseminating or selling any confidential information of the Company for improper purposes or without authorisation is unlawful. 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 before communicating important information to customers. In addition, conversations with customers on the company duty phone are managed by dedicated staff members. During the Reporting Period, there were no cases of non-compliance recorded regarding IP infringement or personal data breaches.

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. Prior to engaging in marketing activities, we will verify, test and review the selling points, information and origin of products, and user consent is sought if personal data is involved. 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, comprehensive standard operating procedures have been created to enable a streamlined approach for managing quality issues. Furthermore, 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 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. For our private label products, accurate packaging labels are created, and each batch of finished products are sent to a laboratory for testing. According to national requirements, products must undergo a biannual or annual inspection by a quality inspection agency certified with the CMA or by the CNAS, which upholds quality assurance.

To handle product quality issues identified by customers, we will investigate the case by analysing the problem and liaise with suppliers to resolve the situation. In the event of a customer complaint to the market regulatory agency, we will aim to promptly rectify the situation and instruct the responsible suppliers to initiate their product recall procedures, which include determining the recall reasons, conducting a risk analysis, submitting a declaration to the market regulatory agency, disclosure to the general public and so on. During the Reporting Period, the Group did not receive such customer complaints, and it did not recall any products sold for safety and health reasons.

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 an annual 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 be informed who 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 the recurrence of such problems.

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. The business team maintains customer relations and customer dynamics in real-time to strengthen our customer service and deliver a positive customer experience.

During the Reporting Period, our multi-media and entertainment business operations received 996 complaints (equivalent to an approximate 0.62% complaint rate) 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 face to face meetings, video conferencing and contractual agreements to ensure suppliers acknowledge and fulfil our expectations.

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. Prior to engagement, suppliers are required to provide their qualifications and certifications as specified in the tender agreement, which verifies that our expectations and standards on quality are met. To measure and monitor the performance of suppliers, we will review the monthly service reports submitted by suppliers, and we will arrange follow-up meetings with them as well as end users to reinforce the effectiveness of such practice.

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, 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 continuous improvements. In relation to our private label products, we will scrutinise the credentials of suppliers, request food procurement certificates and perform on-site inspections at factories. Unannounced site visits are also conducted to identify problems, provide guidance on rectification and ultimately strengthen relationships with suppliers.

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:

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.

To manage risks in the supply chain, in relation to our property development and investment operations in Macau, we will verify suppliers' compliance records or stipulate relevant clauses in contractual agreements in addition to conducting supplier assessments, where their performance is discussed and evaluated.

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 initial period of collaboration, manufacturers of our private label products are subject to and must pass an evaluation, which assesses 13 aspects including but not limited to major food safety risks, cleaning, disinfection and chemical management, production process control, and quality management and assurance. Furthermore, on-site assessments are performed once or twice a month before collaboration, during production and unannounced. During the Reporting Period, we have conducted assessments on approximately 955 suppliers and 10,519 products, where roughly 88% and 88% 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.

For our multi-media and entertainment business operations in China, priority is given to suppliers that provide raw materials relating to landmark products and have obtained authorisation from the National Landmark Management, where we also verify their credentials. Production factories with certifications such as HACCP, BRCGS, IFS and ISO 2002 are preferred, whilst those with environmentally-friendly practices will be given attention.

ENVIRONMENTAL AND SOCIAL INCLUSION IN BUILDING DESIGN

The Group acknowledges that incorporating sustainability during the design stage and construction stage within property development 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 adhere 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 are implemented and monitored by the Human Resources & Admin Department and mention 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 annually. We also encourage employees to attend training courses relating to health and safety at work. During the Reporting Period, five employees completed an occupational health and safety course organised by the Labour Affairs Bureau (DSAL) of Macau. The contractors and subcontractors of the Property C7 are required to uphold compliance with the Law of Occupational Health and Safety in Civil Construction (Law No. 2/2023, repealed Decree No. 44/91/M) and Technical Specifications for Occupational Safety and Health in the Construction Industry (Administrative Regulation No. 32/2023).

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, disinfecting public areas regularly, ensuring appropriate fire extinguishers are available to handle the corresponding fire type and creating an emergency contact list for employees.

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, which are in strict compliance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), or the Employee Discipline System.

As part of the competitive remuneration package, which is dependent on the location of the workplace, 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. The Group has established a share option scheme and share award scheme, where options and awards are granted to individual employees based on an assessment of their performance. In addition, China employees are offered flexible working hours to accommodate their needs and personal lifestyles.

To recognise and reward the efforts of our employees, performance appraisals are conducted by the Department Head or supervisor, which are carried out annually for employees or biannually for first year recruits at our Hong Kong and Macau operations, and monthly as well as annually for employees at our China operations. 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. For our Hong Kong and Macau operations, 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, 106 employees across the Group completed 198 hours of training on topics including corporate governance, climate change, property management, first aid and orientation.

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 Law No. 23/2024) and may be dismissed should serious violations occur. During the Reporting Period, we formulated the Clear Regulations for Preventing and Controlling Sexual Harassment for our China operations, which lays out our principles on eradicating this unwarranted behaviour and procedures to safeguard the rights and interests of all employees.

A counselling service is set up to nurture the well-being of our employees and enable them to seek guidance on job-related problems. Also, the grievance system enables them to share their concerns with their supervisor or Department Head, or alternatively, they can escalate the situation to the Human Resources Department or top management if a consensus cannot be reached. In addition, 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 birthday celebrations for employees at its Hong Kong and 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 their 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 continued to collaborate 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.

To reduce our impact on the environment and natural resources, we periodically circulate 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 received a non-compliance notice relating to its property development and investment operations in Macau for violating the General Regulations Governing Public Places (Administrative Regulation No. 28/2004), where a sign was placed in public areas without prior consent. To prevent recurrence and ensure compliance, the Group will improve the coordination of its employees and verify that relevant licenses are approved before occupying public spaces.

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. For small domestic appliances, we will take these to a DSPA collection point for recycling, whereas for large domestic appliances, a qualified contractor will collect and recycle them as well as issue a disposal form. In addition, ink cartridges are either collected by the vendor or taken to a DSPA collection point both for recycling purposes. 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 also 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 recycling collection.

For our Hong Kong operations, we have guidelines in place to facilitate staff to recycle plastic bottles and hazardous materials. Plastic bottles will be cleaned and stored in specific recycling bins, and employees will take this waste to a recycling station operated by the Hong Kong government when the bins are full. Whereas, hazardous materials such as toner cartridges will be returned to the supplier for disposal.



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.

During the Reporting Period, hazardous waste generated at our Hong Kong operations include 4 toner cartridges, which were recycled by the contractor, whereas non-hazardous waste produced include 153 reams of office paper. At our Macau operations, we generated hazardous waste of 21 toner cartridges and 1 fan, which were taken to a DSPA collection point for recycling, whereas we produced non-hazardous waste consisting of 225 packs of office paper, 320 packs of paper towels, 400 rolls of toilet paper and 200 boxes of facial tissues. 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” initiative in 2023, 2024 and 2025, 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.
- 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, and the Group did not experience any difficulties in sourcing water that is fit for purpose:

Aspect	Unit	Hong Kong Operations	Macau Operations ¹	Tiffany House	Multi-media & Entertainment ²
Electricity Usage	kWh	75,626.35	810,803.01	26,101.15	N/A
Water Usage	m ³	33.97	5,726.31	N/A ³	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 and responding to 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. During the Reporting Period, the Group developed a Climate Change Policy, which describes its approach to managing climate-related risks and opportunities and implementing mitigation and adaptation initiatives.

¹ During the Reporting Period, the electricity and water usage predominantly included the Group's supermarket business and restaurant business, which commenced operations on 30th April 2024.

² Electricity and water records are not available as these are paid for by the building management company.

³ In 2024, the Group was neither operationally nor financially responsible for water usage at Tiffany House.

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 climate-related 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 these 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. The above-mentioned processes are incorporated into our three-tier risk management framework to practically 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.

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 are presented in the following table:

Aspect	Unit	Hong Kong Operations	Macau Operations	Tiffany House	Multi-media & Entertainment ⁴
Scope 1 - Direct Emissions and Removals	Tonnes of CO ₂ e	20.85	49.97	N/A	6.21
Scope 2 - Energy Indirect Emissions	Tonnes of CO ₂ e	49.79	492.97	15.87	N/A
Scope 3 - Other Indirect Emissions	Tonnes of CO ₂ e	0.02	1.47 ⁵	N/A ⁶	N/A
Total GHG Emissions (Scope 1-3)	Tonnes of CO ₂ e	70.66	544.41	15.87	6.21

⁴ Electricity and water records are not available as these are paid for by the building management company. Hence, the Group's corresponding scope 2 and scope 3 emissions cannot be calculated.

⁵ Includes GHG emissions generated from electricity used for fresh water processing only.

⁶ In 2024, the Group was neither operationally nor financially responsible for water usage at Tiffany House. Hence, the Group's corresponding scope 3 emissions cannot be calculated.

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 efforts have enabled us to achieve the following progress (all applicable figures are rounded to 2 decimal places):

Scope and Aspect	Targets	2024 Progress
Hong Kong Operations – Emissions	<ol style="list-style-type: none"> By 2026, reduce absolute greenhouse gas emissions (Scope 1-3) by 10%, compared to a FY19 baseline. 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"> Reduced by 30.31% Reduced by 9.19%
Hong Kong Operations – Energy	<ol style="list-style-type: none"> By 2026, reduce absolute energy usage by 3%, compared to a FY19 baseline. 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). By 2024, at least 50% of newly purchased electrical appliances in the office should carry energy-saving labels. 	<ol style="list-style-type: none"> Reduced by 26.53% We have participated in the “Earth Hour 2025” initiative We have not purchased any new electrical appliances
Macau Operations – Energy	<ol style="list-style-type: none"> By 2026, reduce electricity usage intensity (kWh / FTE) by 72%, compared to a FY18 baseline. By 2026, reduce energy usage intensity (MJ / FTE) by 72%, compared to a FY18 baseline. 	<ol style="list-style-type: none"> Not applicable Not applicable

For our Hong Kong operations, two energy targets were concluded in 2024. Both of these energy targets were achieved as the Group has participated in the “Earth Hour” initiative every year since 2022, and it has purchased three new electrical appliances in 2023, with two of them carrying energy-saving labels, which resulted in procuring 66% of energy-efficient electrical appliances. For our Macau operations, the FY18 baseline used to measure our progress on the two energy targets involves office operations only. In 2024, this business segment includes a supermarket and restaurant in addition to office operations. Hence, owing to a significant change in the business nature, the purpose of the respective targets were deemed as no longer applicable to the Group and were subsequently cancelled.

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 Law (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)

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
- 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. 2/2015, Law No. 8/2020 and Law No. 23/2024)
- 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 repealed by Law No. 6/2015 and Law No. 27/2024)
- 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)
- Technical Specifications for Occupational Safety and Health in the Construction Industry (Administrative Regulation No. 32/2023)

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, partially repealed by Law No. 4/2016)
- Legal Regime of Noise at Work (Decree No. 34/93/M)
- Prevention and Control of Environmental Noise (Law No. 8/2014, amended by Law No. 9/2019)

PERFORMANCE DATA SUMMARY

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations ⁷	Tiffany House	Multi-media & Entertainment
Environmental⁸					
Nitrogen Oxide Emissions (NOx)	kg	4.63	9.54	N/A	2.22
Sulphur Oxide Emissions (SOx)	kg	0.11	0.19	N/A	0.03
Particulate Matter (PM)	kg	0.34	0.63	N/A	0.16
GHG Emissions (Scope 1)	tCO ₂ e	20.85	49.97	N/A	6.21
GHG Emissions (Scope 2)	tCO ₂ e	49.79	492.97	15.87	N/A
GHG Emissions (Scope 3)	tCO ₂ e	0.02	1.47	N/A	N/A
Total GHG Emissions (Scope 1-3)	tCO ₂ e	70.66	544.41	15.87	6.21
GHG Emissions Intensity by Revenue ⁹	tCO ₂ e / HK\$'000	0.00			
GHG Emissions Intensity by Area ¹⁰	tCO ₂ e / m ²	0.05	0.14	0.00	0.00
Petroleum Usage	Litre	7,811.09	12,935.78	N/A	2,325.79
Electricity Usage	kWh	75,626.35	810,803.01	26,101.15	N/A ¹¹
Total Energy Usage	MJ	534,551.26	3,353,274.33	93,964.13	78,100.03
Energy Usage Intensity by Revenue	MJ / HK\$'000	5.58			
Energy Usage Intensity by Area	MJ / m ²	402.16	886.17	2.21	19.24
Water Usage	m ³	33.97	5,726.31	N/A ¹²	N/A ¹¹
Water Usage Intensity by Area ¹³	m ³ / m ²	0.10	1.51	N/A	N/A

⁷ Two new operational sites, including supermarket and restaurant, commenced operations during the Reporting Period. Hence, there is a significant fluctuation of environmental data between 2023 and 2024.

⁸ All figures are rounded to 2 decimal places, unless otherwise specified.

⁹ The total revenue of the Group is recorded at approximately HK\$ 728,216,000 for the financial year 2024.

¹⁰ 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 m², 3,784 m², 42,555 m² and 4,060 m² respectively.

¹¹ Electricity and water records are not available as these are paid for by the building management company.

¹² In 2024, the Group was neither operationally nor financially responsible for water usage at Tiffany House.

¹³ The water usage intensity by area calculations are limited to operational sites where the Group is operationally and financially responsible for water usage.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations	Multi-media & Entertainment
Social¹⁴				
<i>Workforce by Employment Type</i>				
Full-time	Person(s)	33	62	127
Part-time	Person(s)	0	15	0
<i>Workforce by Gender</i>				
Male	Person(s)	11	32	67
Female	Person(s)	22	45	60
<i>Workforce by Employment Category</i>				
Senior Level	Person(s)	9	0	5
Intermediate Level	Person(s)	6	10	14
General Level	Person(s)	18	67	108
<i>Workforce by Age Group</i>				
<30 Years Old	Person(s)	2	20	94
30-50 Years Old	Person(s)	9	44	33
>50 Years Old	Person(s)	22	13	0
<i>Workforce by Geographical Region</i>				
Hong Kong	Person(s)	32	0	2
Mainland China	Person(s)	1	0	125
Macau	Person(s)	0	77	0
<i>Turnover Rate</i>				
Total Turnover Rate	%	11.76	113.13	129.41

¹⁴ 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	Multi-media & Entertainment
<i>Turnover Rate by Gender</i>				
Male	%	24.00	134.88	113.21
Female	%	4.65	96.43	146.94
<i>Turnover Rate by Age Group</i>				
<30 Years Old	%	0.00	240.00	133.33
30-50 Years Old	%	0.00	83.33	111.11
>50 Years Old	%	16.67	73.68	N/A
<i>Turnover Rate by Geographical Region</i>				
Hong Kong	%	12.12	N/A	N/A
Mainland China	%	0.00	N/A	130.03
Taiwan	%	N/A	N/A	200.00
Macau	%	N/A	113.13	N/A
<i>Employees Trained¹⁵</i>				
Total Employees Trained	%	6.06	7.79	77.17
<i>Employees Trained by Gender¹⁶</i>				
Male	%	9.09	6.25	64.18
Female	%	4.55	8.89	91.67
<i>Employees Trained by Employment Category¹⁶</i>				
Senior Level	%	11.11	N/A	0.00
Intermediate Level	%	16.67	20.00	28.57
General Level	%	0.00	5.97	87.04
<i>Average Training Hours</i>				
Average Training Hours per Employee	Hours / employee	1.06	0.84	0.77

¹⁵ Number of employees trained divided by the total number of employees as of 31st December 2024.

¹⁶ Number of employees trained in the specified category divided by the total number of employees in the specified category as of 31st December 2024.

Key Performance Indicators (KPIs)	Unit	Hong Kong Operations	Macau Operations	Multi-media & Entertainment
<i>Average Training Hours per Employee by Gender</i>				
Male	Hours / employee	1.00	0.08	0.64
Female	Hours / employee	1.09	1.39	0.92
<i>Average Training Hours per Employee by Employment Category</i>				
Senior Level	Hours / employee	2.67	N/A	0.00
Intermediate Level	Hours / employee	1.83	0.60	0.29
General Level	Hours / employee	0.00	0.88	0.87
<i>Number of Work-related Fatalities and Injuries</i>				
Work-related Fatalities ¹⁷	Person(s)	0	0	0
Work-related Injuries	Person(s)	0	1	0
Work-related Injury Rate	Per person	0.00	0.01	0.00
Lost Days due to Work-related Injury	No. of days	0	8	0
<i>Number of Suppliers</i>				
Total Number of Suppliers	No.	135	184	165
<i>Number of Suppliers by Geographical Region</i>				
Hong Kong	No.	127	15	0
Mainland China	No.	3	12	165
Macau	No.	2	154	0
Bermuda	No.	1	0	0
BVI	No.	1	0	0
Japan	No.	1	2	0
USA	No.	0	1	0

¹⁷ Work-related fatalities include 2024, 2023 and 2022 figures.

HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	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
Reporting Principles		
	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
Reporting Boundary		
	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
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 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 included as part of the Group's operations since the Group does not exercise operational control over its usage
Aspect A3: The Environment and Natural Resources		
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)
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 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

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 - 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.	Operations - Product and Service Quality and Safety
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