



**First Shanghai Investments Limited**  
Stock Code: 227



2025 

Environmental,  
Social and Governance Report



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# ABOUT FIRST SHANGHAI

First Shanghai Investments Limited (the “Company”), together with its subsidiaries (collectively “First Shanghai” or the “Group”), are engaged in integrated businesses with years of operational experience, whose core businesses include financial services, property development, property investment and hotel, and other businesses, providing professional products and services to customers in Hong Kong, Chinese Mainland, and overseas.

## OUR BUSINESS



# ABOUT THIS REPORT

With the growing emphasis on sustainability issues, investors and other stakeholders pay more attention to the environmental, social and governance (“ESG”) performance of the enterprises. The Group fully recognizes stakeholders’ expectations and requirements on our development and planning in such aspects, and has therefore prepared the ESG Report (the “Report”) to fully disclose the actual performance and progress of the Group in ESG policies, management measures and effectiveness for the year 2025, and to explain how we integrate ESG principles into our business strategies and daily operations. The Report is available in both Chinese and English and can be accessed on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Group’s website ([www.firstshanghai.com.hk](http://www.firstshanghai.com.hk)).

## SCOPE OF REPORT

The Report compendiously presents the Group’s ESG performance during the year from 1 January 2025 to 31 December 2025 (the “Year”). Being consistent with the previous year, it covers the three major places of business in Hong Kong, Wuxi and Paris, France (“Place(s) of Business”), which are mainly engaged in the core businesses of financial services, property development, property investment and hotel operations, accounting for all of the Group’s total revenue. In terms of materiality, other businesses not generating revenue have been excluded from the scope of the Report for the time being. The Group will regularly review and adjust, as appropriate, the scope of the Report to ensure that stakeholders receive more complete, accurate and comparable information.



### Financial Services



#### Hong Kong

Headquarter office (“Hong Kong Headquarter”)



### Property Development, Property Investment and Hotel (“Property and Hotel”)



#### Wuxi

Wuxi Sunshine Real Estate Limited (“Wuxi Property Investment Office”):

- “First Shanghai Plaza”, which comprises the Wuxi Hotel (“Wuxi Hotel”), the operation of which is entrusted to the Hotel Manager by the Group

#### Paris

L’Isle Adam, Paris, France (“L’Isle Adam, Paris”):

- M Gallery Hotel (“Golf Hotel”), a boutique hotel
- Golf course and a clubhouse (“Gold Club and Golf Course”)

## REPORTING PRINCIPLES

The Report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “Code”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the four reporting principles (materiality, consistency, quantitative and balance) set out therein, to ensure that the Report meets the requirements of professionalism, transparency and comparability.



### Materiality



The Group collected internal and external opinions through questionnaire surveys and other stakeholder interactions to identify ESG issues which are most significant to the Group’s business and its stakeholders, and determined the focus of this Report accordingly. For details of the assessment process and results, please refer to the section headed “Materiality Assessment” .



### Consistency and Quantitative



To ensure comparability with previous years, we adopt consistent statistical methodologies and data collection standards, and present environmental and social performance in quantitative terms as far as possible, including relevant data sources, calculation methods and units, for stakeholders’ comprehensive understanding and monitoring of the Group’s performance.



### Balance



The Group adheres to an objective and fair reporting principle, fully disclosing both the positive and potential negative impacts in various ESG aspects for the Year, enabling stakeholders to accurately assess the Group’s overall performance and sustainable development progress.

## REVIEW AND APPROVAL

All information disclosed in this Report is sourced from the Group’s official documents, statistics and records, and has been reviewed and approved by the Board of Directors of the Group on 27 March 2026.

## OPINION AND FEEDBACK

The Group values the opinions of all stakeholders and believes that feedback from different perspectives would help continuously improving its performance. If you have any questions or recommendations on the content of the Report or other matters related to sustainable development, please contact us via the following methods:

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# MESSAGE FROM THE CHAIRMAN

Over the past year, global and Chinese policies and practices in the field of sustainable development have continued to deepen. Enterprises are facing not only compliance requirements but also a strategic transformation from risk management to value creation. As the international community strengthens its collective focus on issues such as climate change, resource scarcity, and social inclusivity, First Shanghai adheres to the core values of stability, responsibility, and innovation, actively integrating Environmental, Social, and Governance (ESG) principles into the Group's long-term development blueprint. This is not only a commitment to our stakeholders but also the foundation for the enterprise to address the challenges of uncertainty and complexity.

At the national level, China's institutional framework for sustainable development is steadily refining. From the deepening of the national carbon market to the construction of a legal system supporting green and low-carbon, policy drivers are propelling ESG from concept to substantive action. Meanwhile, as an international financial center, Hong Kong's role as a bridge in green finance, sustainable investment, and cross-border cooperation has further stood out, providing new opportunities and momentum for the Group's sustainable layout in regional and global markets.

Regarding environmental protection, the Group has gradually improved its climate risk and carbon emission management framework. According to the latest institutional evolution, we have deepened the monitoring of carbon footprints and the formulation of short-term and long-term carbon reduction strategies. We adhere to scientific methods and international standards, using data to drive action to ensure that measurable environmental value is created beyond compliance. In terms of social responsibility, the Group has strengthened support for employees' career development, promoted a diverse and inclusive corporate culture, and deepened ESG management in supply chain to enhance overall social impact through practical actions. At the corporate governance level, we are actively exploring the possibility of incorporating ESG indicators into high-level decision-making and performance appraisal systems, while strengthening the Board's oversight function over sustainable development to ensure that the governance structure is aligned with long-term strategies.

Looking forward to 2026 and beyond, First Shanghai will continue to actively respond to policy changes and market trends with a rigorous risk management mindset and an innovative long-term perspective, leading the enterprise to achieve economic growth while making tangible contributions to environmental protection and social well-being. I firmly believe that with the understanding and support of all stakeholders, First Shanghai can seize opportunities and enhance resilience amidst the wave of change, working together to create a sustainable future.

**LO Yuen Yat**

*Chairman*

**First Shanghai Investments Limited**

# SUSTAINABILITY PERFORMANCE AT A GLANCE



## Environmental



- Due to the Group's continuous investment in energy efficiency and carbon reduction measures, the Group's overall carbon emissions and energy consumption decreased by 11.1% and 8.3% respectively.
- Among them, the Group's direct energy consumption decreased significantly by 20.6% compared to last year.



## Social



- The Group has recorded no work-related fatalities for three consecutive years.
- The number of the Group's suppliers with various system certifications has more than doubled compared to last year.



## Governance



- The Group had no concluded corruption-related litigation cases during the Year.

# SUSTAINABILITY APPROACH

With the increasing emphasis on corporate sustainability in major countries around the world, the regulatory environment is also becoming more refined. Policies in various regions impose higher requirements on enterprises' disclosure and practices regarding environment, social responsibility, and governance. Facing these challenges and opportunities, the Group adopts a systematic sustainability governance approach, integrating ESG principles into corporate strategy and daily operations, striving to establish a solid foundation for development and continuously enhance stakeholder trust.

## GOVERNANCE STRUCTURE

The Board is the highest governing body of the Group, providing comprehensive oversight of the Group's ESG strategies, policies, and performance to ensure alignment with long-term corporate goals and stakeholder expectations. To enhance governance effectiveness, the Group continuously optimizes its management system. Under the coordination of the Board with management and key operational departments, we jointly advance ESG work, implement risk management and performance monitoring to ensure that the Group can balance environmental protection, social responsibility, and good governance while pursuing business growth.

Governance Level	Role	Responsibilities
Board	Leader	Regularly reviews relevant strategies, objectives, policies, measures and risk management to secure sound development
Operational Departments	Executor	Responsible for the implementation of the work, collecting information and data of the ESG report, and monitoring and reporting about the implementation and performance on a regular basis

## GOVERNANCE STRATEGY

The Group believes that sustainability is essential to long-term corporate resilience and value creation, and is committed to implementing ESG principles across Board decisions, business strategies, and daily operations. We maintain communication with internal and external stakeholders, regularly collecting opinions and suggestions through multiple channels, and continuously refine our sustainability approach and core strategies based on the principle of materiality to ensure that decisions align with the Group's long-term interests and social responsibilities.

The Board actively formulates and updates sustainability targets, covering environmental management, social responsibility, and governance performance, and guides various major operational departments in their implementation. Meanwhile, the Group has established regular monitoring, evaluation, and review mechanisms to ensure that strategies and actions are implemented and can be adjusted in response to policy changes and market trends.

## RISK MANAGEMENT

The Group has established a comprehensive risk management and internal control system, with the Board responsible for full supervision. The audit committee regularly reviews the operation of the system and submits annual reports, while the risk committee holds meetings as planned to continuously optimize the management framework and report to the audit committee. Major operational departments and management are fully involved in risk identification, assessment, and the formulation of countermeasures to ensure stable and resilient business operations.

In 2025, the Group further incorporated ESG factors into its risk assessment scope, including climate-related risks and compliance risks, and formulated corresponding mitigation measures to strengthen the scientific and forward-looking nature of risk management. At the same time, the Group continues to enhance its risk monitoring tools and reporting mechanisms to ensure that management and the Board can access important risk information in a timely manner. Detailed information can be found in the "Corporate Governance Report" section of the Group's annual report.

# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

## COMMUNICATION CHANNELS

The support and participation of stakeholders are key to achieving sustainable development goals. First Shanghai is committed to maintaining close interaction with internal and external stakeholders. Through diverse channels such as regular exchanges, questionnaire surveys, special interviews, and online platforms, we gain deep understanding of their expectations, concerns and needs, and continuously refine the sustainability strategies and action plans accordingly. In 2025, the Group continued to promote transparent and two-way communication to foster stakeholder participation and cooperation, enhancing the impact and sustainable value of the Group's ESG work.

### Directors and Employees

- Internal communication
- Employee activities
- Board meetings
- Symposium
- Dining with management
- Company's email and other social platforms
- Performance evaluation

### Investors and Shareholders

- Annual general meeting
- Company's website
- Announcements and notices
- Annual and interim reports
- ESG report

### Suppliers

- Routine review mechanism of suppliers
- Regular communication and meetings
- Bidding and procurement process

### Business Partners

- Regular reports on hotel business by hotel management
- Seminar for industry players

### Customers

- Customer's opinion collection box and complaint mechanism
- Questionnaire
- Regular meetings with customers service agents
- Investment seminars
- Customer service hotline
- Online customer service

### Communities

- Volunteer activities
- Company's website

### Regulators

- Lectures
- Regular reporting

### Non-governmental organizations

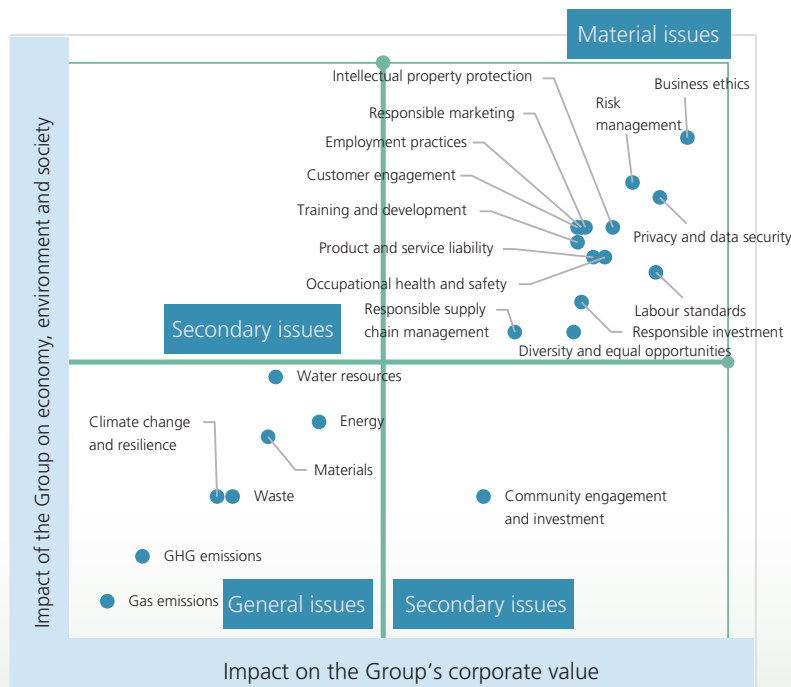
- Award scheme and charter
- Sponsorship and donation

## MATERIALITY ASSESSMENT

In 2025, with the assistance of an independent third-party consultant, the Group completed a materiality assessment following a systematic process to identify the ESG issues with the most significant impact on the Group and its stakeholders. This assessment comprised three major steps:

<p><b>1 Identify relevant issues</b></p>	<ul style="list-style-type: none"> <li>Referring to the “Code” of the Stock Exchange, the latest ESG reports in the market, and industry practices, 22 ESG issues highly relevant to the Group’s business and stakeholder concerns were initially identified.</li> </ul>
<p><b>2 Determine the priority of issues</b></p>	<ul style="list-style-type: none"> <li>Inviting internal and external stakeholders to take part in online surveys to rate the materiality of ESG issues</li> <li>Collecting and evaluating opinions on the impact of the issues on the Group’s corporate value (financial materiality) and the impact of the Group on economy, environment and society (impact materiality) to determine the overall level of materiality of each issue</li> <li>A materiality matrix and a priority list of ESG issues were formulated based on the assessment results to guide report content and strategic focus.</li> </ul>
<p><b>3 Verify material issues</b></p>	<ul style="list-style-type: none"> <li>The materiality assessment results were reviewed and confirmed by the Board to ensure that the identified core issues are highly consistent with the Group’s long-term strategy and stakeholder concerns.</li> </ul>

According to stakeholder feedback and the degree of business impact, the Group prioritized 22 ESG issues. The assessment results are presented in a matrix format, where the issues located in the top-right corner are the key areas of most concern and are elaborated in depth in this Report as an important basis for the Group’s strategic planning and resource allocation.



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Through this materiality assessment, a total of 14 key issues were identified this year, covering five areas: risk management, compliance operations, supply chain management, customer rights and service quality, and talent development. The overall results are similar to last year.

Material issues	Corresponding chapter
Risk management	Sustainability approach – risk management
Business ethics	Governance – compliant management and corruption-free operation
Responsible supply chain management	Governance – supply chain management
Responsible marketing, responsible investments, privacy and data security, intellectual property protection, product and service liability, customer engagement	Social – customers
Labour standards, employment practices, occupational health and safety, training and development, diversity and equal opportunities	Social – talent development



## OUR POLICIES



### Response to Climate Change



- “Climate Change Policy”



### Resources Management



- “Greenhouse Gas Policy”
- “Exhaust Gas Policy”
- “Policies on Hazardous and Non-hazardous Waste Management”
- “Energy Management Policy”
- “Water Resources Management Policy”
- “Paper Management Policy”
- “Policies for Minimizing the Significant Impact of the Operation on the Environment and Natural Resources”
- “Hazardous Waste Environmental Emergency Plan”

## RESPONSE TO CLIMATE CHANGE

In 2025, global climate risks continued to escalate, with extreme weather events occurring frequently, and regulations on carbon emissions, energy efficiency standards, and net-zero emission commitments becoming increasingly stringent. China has proposed targets for reducing net greenhouse gas emissions across the entire economy by 2035 and is advancing the construction of green energy and carbon markets; internationally, enterprises are required to follow higher climate disclosure and risk management requirements to address legal, regulatory, and market challenges. At the same time, the Hong Kong SAR Government has also proposed a vision to achieve carbon neutrality before 2050 and launched the “Hong Kong’s Climate Action Plan 2050”, setting out several specific measures. All these initiatives all reflect the global trend of climate governance, with enterprises gradually moving towards core directions of sustainable development such as low-carbon transformation, resilience building, and innovative technologies.

As a responsible corporate citizen, First Shanghai places climate management at the core of the Group’s sustainability strategy. In 2025, building upon our existing internal policy systems, including the “Climate Change Policy”, “Environmental Protection Policy”, and “Energy Management Policy”, we have actively improved the processes for climate risk identification, assessment, and mitigation, integrating climate-related risks into the overall risk management system, and continuously promoting low-carbon operations and energy efficiency enhancements. Meanwhile, we raise climate awareness through employee training and cross-departmental collaboration, and regularly disclose performance indicators. We will continue to benchmark against international best practices, deepen our climate actions, and strive to make substantive contributions to global climate goals on a compliance basis.

**CLIMATE RISK MANAGEMENT**

The Group attaches great importance to climate risk management and is committed to enhancing business adaptability and resilience to ensure long-term sustainable development. In 2025, First Shanghai formally incorporated identified material climate risks into the Group's internal control processes and expanded the content of the risk register, covering multiple dimensions such as extreme weather, energy supply disruption, carbon cost fluctuations, and changes in policies and regulations, ensuring that risk management is comprehensive and systematic. Following international best practices, including the United Nations Environment Programme Finance Initiative (UNEP FI) and peer analysis, the Group continuously assesses physical risks and transition risks to provide a scientific basis for strategic decision-making and identify potential development opportunities.

At the operational level, the Group implements and continuously improves trading arrangements under severe weather conditions, including remote work systems, call forwarding and IT support, to ensure employee safety and business continuity. At the same time, we provide specialized training and operational guidelines for front-line and key position employees to maintain high-quality financial services and trading operations. In 2025, climate risk management has been fully integrated into the Group's overall internal control and governance processes, continuously enhancing the Group's ability and resilience in responding to climate challenges through regular monitoring, assessment and reporting.

Risk Type		Description	Industry Impact	Financial Services	Property & Hotel
Transition Risks	Policies & regulations	<ul style="list-style-type: none"> <li>More carbon taxes and other carbon fees introduced to the market</li> </ul>	<ul style="list-style-type: none"> <li>Further push up carbon prices, and increase operating costs</li> </ul>	✓	✓
		<ul style="list-style-type: none"> <li>Regulators issue more environmental and climate-related laws and regulations on industry operation</li> </ul>	<ul style="list-style-type: none"> <li>Increase corporate compliance pressure and costs</li> <li>In order to meet local energy efficiency and emissions standards or tenant's needs (for example, early renovation of heating or cooling systems), a large amount of capital investments is needed, which leads to an increase in the demand for purchasing low-emission building materials (such as steel, cement and wood)</li> </ul>	✓	✓
		<ul style="list-style-type: none"> <li>National and regional commitments to carbon neutrality increase the pressure on various industries to move towards carbon neutrality</li> </ul>	<ul style="list-style-type: none"> <li>May affect the existing operation mode of the Group and increase the operating costs</li> </ul>	✓	✓
		<ul style="list-style-type: none"> <li>New types of legal risks</li> </ul>	<ul style="list-style-type: none"> <li>Face lawsuits for not complying with environmental regulations</li> </ul>		✓

Risk Type	Description	Industry Impact	Financial Services	Property & Hotel	
Transition Risks	Technologies	<ul style="list-style-type: none"> <li>Low-carbon products and technologies gradually increase market share</li> </ul>	<ul style="list-style-type: none"> <li>increase the uncertainty of income and profitability</li> </ul>	✓	
	Market	<ul style="list-style-type: none"> <li>Capital flows favour low-carbon industries, and sunk assets in high-carbon industries may bring fluctuations to the market</li> </ul>	<ul style="list-style-type: none"> <li>Influence the stability of enterprise's revenue and profitability</li> </ul>	✓	
		<ul style="list-style-type: none"> <li>Carbon pricing will lead to an increase in financing cost</li> </ul>	<ul style="list-style-type: none"> <li>As investors and lenders price the transition risk at the market level (for example, in economies that rely on carbon-intensive industries), lead to an increase in the financing cost</li> </ul>		✓
		<ul style="list-style-type: none"> <li>Water, energy and raw material prices rise</li> </ul>	<ul style="list-style-type: none"> <li>Due to the carbon-intensive building system, the cost of public utilities increase</li> </ul>		✓
	Reputation	<ul style="list-style-type: none"> <li>Consumer preference shifts</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable development and climate change factors should be considered in operation, otherwise it may gradually lose market share</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>If the Group is too slow to respond to consumers' and shareholders' demands for sustainable development, production process and information disclosure, and cannot meet their expectations, the Group may face reputation damage</li> </ul>	✓	
			<ul style="list-style-type: none"> <li>Carbon-intensive assets are not attractive to occupiers who have set carbon reduction targets</li> </ul>		✓

## ENVIRONMENTAL

Risk Type		Description	Industry Impact	Financial Services	Property & Hotel
Physical Risks	Acute	<ul style="list-style-type: none"> <li>Extreme weather damages the enterprise or its secured assets</li> </ul>	<ul style="list-style-type: none"> <li>Asset damage brings losses</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Seriously affect daily operations</li> </ul>		✓
			<ul style="list-style-type: none"> <li>Increase related insurance expenses</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Extreme weather affects the safety of employees on business travels</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Affect the operation mode of the enterprise and increase the operating cost</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Increase the uncertainty of income</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>To improve the ability of buildings to resist physical risks, the Group needs to increase relevant investments (e.g., raising buildings, green rooftops, protecting electromechanical systems and computer servers)</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Increase maintenance cost</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Due to the disturbance of surrounding traffic or other infrastructure, the demand for housing in the local market where it operates is affected</li> </ul>		✓
			<ul style="list-style-type: none"> <li>Supply chain stability is impaired</li> </ul>	<ul style="list-style-type: none"> <li>As a result of extreme weather, the output of raw materials is affected, resulting in the instability of supply chain (e.g., raw materials, products and services), which in turn affects the stability of the enterprise's own operations</li> </ul>	

Risk Type		Description	Industry Impact	Financial Services	Property & Hotel
Physical Risks	Chronic	<ul style="list-style-type: none"> <li>Sea level rise</li> </ul>	<ul style="list-style-type: none"> <li>Increase in risk of flooding in coastal areas may result in asset losses and increase insurance expenses</li> </ul>	✓	✓
		<ul style="list-style-type: none"> <li>Increase in the number of extremely hot/cold days</li> </ul>	<ul style="list-style-type: none"> <li>Increasing the use of refrigeration or heating equipment results in an increase of related energy use costs, which in turn increase the operating costs of enterprise</li> </ul>	✓	✓
			<ul style="list-style-type: none"> <li>Influence employees' work efficiency</li> </ul>		✓

Given the increasing frequency of extreme weather events, climate change has become one of the significant risks affecting the stability of corporate operations and long-term development. During the Year, the Group conducted an internal climate risk assessment to evaluate the probability of occurrence and impact of climate risks. After summarizing the internal assessment results, the Group's management believes that climate change currently brings only limited risk to the Group, and the business is only affected to a low degree. However, the Group remains prepared for a rainy day and has adopted different countermeasures for risks in different areas.

The Group has incorporated climate-related risks into its overall risk management framework and established a comprehensive management mechanism covering pre-preparation, risk mitigation, and post-disaster recovery, so as to enhance the resilience of each Place of Business in responding to climate events and reduce potential impacts on business, employees, and assets.



### Planning and Preparation Stage:



The Group establishes early warning mechanisms and sound emergency plans by conducting climate and operational risk assessments, including evacuation arrangements, emergency material allocation, and backup solutions for key operational processes. We also continue to strengthen employee training and emergency drills to ensure employees are familiar with relevant procedures and safety guidelines, enhancing overall response capabilities. In response to operational needs during severe weather, the Group has fully replaced the telephone systems for front-line staff, allowing them to connect to company computers and telephone systems via mobile applications even when working from home, ensuring the continuity of securities trading operations and customer service. Meanwhile, the Group also prepares necessary emergency materials and food supplies to cope with sudden situations.



### Loss Mitigation:



The Group has established multi-layered protective measures, including rapid response mechanisms, clear guidelines for operational and personnel arrangements, and protective measures for key facilities and equipment. We aim to minimize operational disruptions and property losses during extreme weather by strengthening facility monitoring, equipment maintenance, and physical protection, and maintaining close communication with relevant departments.



### Post-Disaster Recovery:



The Group has formulated business continuity and recovery plans to ensure that facility inspections, repairs, and operational recovery can be carried out in an orderly manner after an incident. We also have a post-disaster assessment and review mechanism to continuously optimize relevant policies and procedures by analyzing the impact of incidents and the effectiveness of responses, thereby enhancing long-term climate resilience.

Furthermore, given that climate change is closely related to greenhouse gas emissions, the Group also regards carbon reduction and environmental management as an essential part of its response to climate risks. We reduce the environmental impact of our operations through measures such as improving waste management and enhancing energy and water efficiency. The Group will continue to pay close attention to the development of global climate policies and regulatory requirements, including carbon taxes, carbon reduction policies and sustainability disclosure regulations, and will engage external consultants as necessary to ensure compliance. To address the progressively tightening environmental and climate regulations in China and France, as well as potential future increases in carbon costs and financing risks, the Group has undertaken phased upgrades and renovations of its properties, such as hotels and golf course, in order to improve energy efficiency and reduce carbon emissions, including adoption of green building standards, optimization of energy system designs and implementation of smart energy management. At the same time, the Group continues to replace equipment with high-efficiency and energy-saving alternatives, strengthen energy monitoring and management, and incorporate sustainability factors into investment decisions to meet market expectations for low-carbon transformation. Additionally, the Group takes measures such as enhancing facility resilience, improving insurance coverage and diversifying supply chains to mitigate the potential impact of extreme weather and climate change on operations.

## CARBON REDUCTION AND ENERGY MANAGEMENT

First Shanghai consistently regards decarbonization and energy management as a key focus of the Group's response to climate change, promoting energy conservation, emission reduction, and supporting the long-term development of green finance through diversified measures. As an integrated enterprise spanning financial services, property and hotel operations, the Group fully understands the importance of energy consumption to operational efficiency and environmental impact. We strictly adhere to the "Energy Management Policy" and "Exhaust Gas Emission Policy" to systematically manage energy efficiency and continuously monitor greenhouse gas emissions and major air pollutants, thereby reducing the environmental impact of our operations.

Regarding energy-efficient targets, we have set specific indicators for our Hong Kong Headquarters, planning to reduce electricity consumption by at least 5% by 2025 compared to 2020. However, the Group's electricity consumption in 2025 decreased by only approximately 1% compared to 237.0 MWh in 2020 (excluding the electricity consumption of the medical and healthcare business disposed of in 2022), failing to meet the target of a 5% reduction in electricity consumption. This was mainly due to the limited room for carbon reduction in office operations, coupled with the expansion of office area and the recruitment of additional staff to meet business development needs, making it difficult to achieve a significant decrease in electricity consumption.

The Group will continue to improve energy efficiency and reduce carbon emissions by strengthening energy usage monitoring, optimizing equipment operation, and enhancing employees' awareness of energy conservation. Looking forward, we will continuously review the effectiveness of our carbon reduction efforts and disclose more detailed progress and performance in due course to further enhance transparency and climate resilience.

### Operating Equipment

- Give priority to energy-saving appliances, to reduce energy consumption and improve energy efficiency
- Use energy-saving light tubes, LED lights and energy-saving lamps, as well as adopt voice control or light control lighting system, to reduce electricity consumption by hotel
- Replace low electric-efficient devices with higher electric-efficient products regularly to further save energy
- Reduce the use of unnecessary lighting, such as changing some light panels from 3 light tubes to 2
- Clean the dust screen and fan coil unit of air conditioning system on a regular basis, to ensure efficient operation of the system
- Activate devices in sleep mode appropriately, to achieve energy-saving effect without affecting the performance of the equipment
- Adopt Euro VI emission standard vehicles and arrange regular inspections and maintenance to ensure good performance, while optimizing driving route planning and practicing green travel
- L'Isle Adam, Paris progressively replaces portable green maintenance equipment, such as blowers and trimmers, etc. by electric ones

## ENVIRONMENTAL

- L'Isle Adam, Paris adopts electrically driven installations for heating system, restaurant kitchen and storage room, and course watering system
- Wuxi Hotel adopts air source heat pump, to reduce steam consumption
- Wuxi Hotel replaces the old system with low efficiency by the air conditioning system with centrifugal chiller for higher energy efficiency

### Daily Operation

- Minimize its carbon footprint by efficient use of resources and implementing green office measures
- Monitor electricity consumption and energy use from vehicle travel on a monthly basis for the early detection and rectification of devices that consume power erratically
- Divide the office into different zones, each equipped with independent power switches to facilitate control and turn off unnecessary lights and air-conditioning facilities
- Advocate the Energy Saving Charter on Indoor Temperature and maintain an average indoor temperature of the office between 24°C and 26°C to reduce air-conditioning energy consumption while providing a comfortable working environment
- Encourage online meetings to reduce motor vehicle emissions and emissions generated from business trip
- In case of business trips, employees are encouraged to prioritise use of public transportation or carpooling and to take the most efficient routes whenever possible to minimize travel-related carbon emissions
- Employees are encouraged to commute between Chinese Mainland and Hong Kong using the high-speed train to reduce reliance on corporate vehicles. Where corporate vehicles are required, only unleaded petrol is permitted to minimize pollutant emissions
- Emphasize and promote the practice of switching off air-conditioning, lightings, and electronic products after using such equipment and before leaving the workplace to reduce energy consumption
- Choose local suppliers with first priority to reduce greenhouse gas emissions generated during transportation
- Take into account the factors related to climate change in the procurement process and promote the use of low-carbon and energy-efficient products and materials
- Employees are encouraged to enhance their awareness of waste classification, while recycling companies are appointed to collect recyclable materials on a regular basis, reducing carbon emissions generated by waste disposal

## GHG EMISSIONS

During the Year, the Group's total greenhouse gas (GHG) emissions were 5,772.2 tonnes of CO<sub>2</sub>e, with a corresponding intensity of 0.003 tonnes of CO<sub>2</sub>e/m<sup>2</sup> and 14.2 tonnes of CO<sub>2</sub>e/HK\$ million. Compared to the previous year, the Group's overall GHG emissions decreased slightly by approximately 11.1%, demonstrating the Group's ability to effectively implement various environmental protection and carbon reduction measures while maintaining stable business operations. Among these, Scope 3 emissions increased slightly compared to last year due to increased business activities, mainly driven by the increase in business flights on international routes in 2025 compared to last year as the place of business in Paris actively participated in overseas trade show in order to expand into overseas markets for hotel and golf course. Overall, the Group's GHG emissions remained comparable to the previous year.

GHG Emissions	Unit	2025	2024	Percentage of Changes
Scope 1	tonnes of CO <sub>2</sub> e	318.4	367.0	-13.2%
Scope 2	tonnes of CO <sub>2</sub> e	5,429.4	6,107.7	-11.1%
Scope 3	tonnes of CO <sub>2</sub> e	24.4	21.1	15.6%
Total GHG emissions	tonnes of CO <sub>2</sub> e	5,772.2	6,495.8	-11.1%
GHG intensity (in area)	tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.003	0.004	-25%
GHG intensity (in revenue)	tonnes of CO <sub>2</sub> e/ HK\$ million	14.2	16.6	-

## AIR POLLUTANTS

During the Year, the Group emitted a total of 495.3 kg of nitrogen oxides, 0.9 kg of sulphur oxides, and 18.7 kg of respiratory suspended particles.

Air Pollutants Emissions	Unit	2025	2024	Percentage of Changes
Nitrogen Oxides	kg	495.3	627.8	-21.1%
Sulphur Oxides	kg	0.9	1.1	-18.2%
Respiratory Suspended Particles	kg	18.7	23.2	-19.4%

## ENERGY

During the Year, the Group's total energy consumption was 14,284.8 MWh, with a corresponding intensity of 0.01 MWh/m<sup>2</sup>, which remained comparable to the performance of the previous year. Direct energy consumption decreased by approximately 20.6% compared to the previous year, mainly due to: (i) the replacement of electric vehicles at the hotel in the place of business in Paris in 2025; (ii) the impact of intense heatwaves, which slowed down the grass growth of the golf course, resulting in a reduction in the usage time of lawn mowers compared to last year; and (iii) the slowed performance of the Wuxi Hotel's catering business in 2025, leading to a decline in natural gas consumption. Among these, the initiative to replace electric vehicles fully demonstrates the Group's continuous and firm determination to reduce its reliance on fossil fuels.

Energy Consumption	Unit	2025	2024	Percentage of Changes
Direct energy	MWh	837.5	1,054.2	-20.6%
Indirect energy	MWh	13,447.3	14,514.8	-7.4%
Total energy consumption	MWh	14,284.8	15,569.0	-8.3%
Energy intensity (in area)	MWh/m <sup>2</sup>	0.01	0.01	-

## RESOURCE MANAGEMENT

### WASTE

As a responsible corporate citizen, the Group pays high attention to the environmental impact of waste generated during its operations and is committed to strengthening waste management in a systematic manner. The Group strictly adheres to the "Policies on Disposal of Hazardous and Non-hazardous Wastes" and "Paper Management Policy." In response to the operational characteristics of different business units, we have formulated and implemented targeted waste reduction measures to minimize the environmental impact of our operations.

In 2025, First Shanghai continued to promote the 4R environmental protection strategy (Reduce, Reuse, Replace, and Recycle), adopting "waste reduction at source, reuse and recycling, and compliant disposal" as the core principles of waste management. By strengthening the sorting of recyclable materials, promoting reuse, and properly handling unavoidable waste, we are committed to reducing waste generation and extending the life cycle of resources. We ensure that all waste is processed in accordance with relevant laws, regulations and environmental standards to continuously enhance our overall environmental performance.

### *Reducing, Reusing and Replacing*

- Promote electronic operations, including reducing paper consumption and setting double-sided printing as the default mode for printers
- Reuse materials such as old envelopes, folders, cartons and stationery items
- Use electronic greeting cards and gradually switch to digital subscriptions for newspapers and magazines
- Reduce the provision of plastic bottled water to customers
- Provide reusable cutlery, bowls and plates in the pantry, and encourage colleagues to reduce the use of disposable tableware

### Recycling

- Set up recycling bins in prominent areas of each Place of Business to encourage employees to recycle recyclable materials generated from daily operations, such as paper, plastic, coffee capsules and toner cartridges
- Arrange for the collection and transfer of recyclable items generated during festivals such as the Lunar New Year and Mid-Autumn Festival, including festive decorations and gift packaging, to recyclers for processing

To ensure that waste is handled properly and in compliance with regulations, the Group has established a systematic sorting and management mechanism to store waste separately according to its nature, and engaged qualified service providers with relevant credentials for collection and disposal. Regarding the management of hazardous waste, including used light tubes, electronic waste, and waste containing oil or chemical substances, the Group strictly adheres to established internal policies and applicable regulations to ensure that the entire disposal process meets environmental and safety requirements.

In 2025, First Shanghai further strengthened the monitoring and recording of the waste disposal process, regularly counting and reviewing waste generation to support management decisions for continuous improvement. In terms of sewage management, we continue to take preventive treatment measures (such as grease separation) to ensure that the discharge of sewage into the public sewer system meets relevant environmental standards. By continuously optimizing treatment processes and improving resource efficiency, the Group is committed to reducing resource waste and environmental burden, promoting a more sustainable business model.

During the Year, the Group generated a total of 0.2 tonnes of hazardous waste and 346.9 tonnes of non-hazardous waste, with corresponding intensities of 0.0001 tonnes/thousand sq.m. and 0.2 tonnes/thousand sq.m. respectively.

Waste generation	Unit	2025	2024	Percentage of Changes
Total generation of hazardous waste <sup>1</sup>	tonnes	0.2	0.2	–
Hazardous waster intensity (in area)	tonnes/thousand sq. m.	0.0001	0.0001	–
Total generation of non-hazardous waste <sup>2</sup>	tonnes	346.9	344.3	0.7%
Non-hazardous waste intensity (in area)	tonnes/thousand sq. m.	0.2	0.2	–

<sup>1</sup> There were only small amount of hazardous waste produced by the Group in its operations.

<sup>2</sup> Non-hazardous waste includes general waste, waste paper, waste plastics, waste metals and waste wood.

The Group has been regularly collecting and analyzing data on paper usage and related waste as an important basis for monitoring performance and reviewing management measures. For the Hong Kong Headquarters, the Group previously set a waste reduction target to reduce paper consumption by no less than 10% between 2020 and 2025. During the year 2025 under review, through the continuous implementation of the double-sided printing policy, the strengthening of electronic document processing, and the improvement of sorted recycling facilities in office areas, the Group's actual paper usage has reached and complied with the aforementioned reduction target. These measures have effectively reduced the reliance on paper resources in daily operations and enhanced employees' engagement in waste reduction at source. In addition, unused items are arranged for recycling or donated to non-governmental organizations to reduce resource waste and achieve reuse and recycling.

With the successful achievement of the established targets in 2025, the management will further review the future direction of waste reduction based on the current foundation. In response to business development and operational needs, we will research and set more ambitious yet practical waste management targets to continuously enhance resource efficiency and environmental performance. Notably, given that paper is one of the most consumed resources of the Group, Forest Stewardship Council (FSC) certified paper has been chosen for printing paper currently. In the future, the Group will also consider switching all paper products to FSC-certified ones to further reduce the environmental impact.

### **Water Resources**

Water resources are essential natural capital for supporting sustainable social and economic development. The Group understands the importance of responsible water use for environmental protection and has integrated water resource management into its daily operational management. In accordance with the Group's "Water Resource Management Policy", various water-saving measures have been implemented across our Places of Business, including optimizing water usage processes and strengthening equipment management to reduce unnecessary water consumption. Meanwhile, through internal communication and promotion, we advocate for "cherish fresh water and avoid water wastage", continuously enhancing employees' awareness of saving water and water conservation, and encouraging the practice of water-saving behaviors in their daily work.

During the year under review, the Group regularly monitored and reviewed the water usage at each Place of Business to assess the effectiveness of water-saving measures and made adjustments and optimizations based on actual needs. Given that the Group's business nature is primarily office operation, water demand is relatively limited, and the relevant measures have effectively helped maintain a stable and efficient level of water usage. Looking forward, the Group will continue to manage water resources in a prudent and pragmatic manner, ensuring that the impact on water resources during the operational process remains at a controllable and reasonable level.

### ***Reduce consumption from the source***

- Post slogans at conspicuous places to encourage the employees to save water
- Install water-saving devices, such as water-saving faucets or sensor faucet
- Carry out regular inspection and maintenance of water plumbing fixtures to prevent unnecessary waste of water
- Reduce possibility of water waste due to excessive water storage

**Make efficient use of water**

- Encourage employees to water plants with drinking water that is no longer to be used
- Encourage employees to use recycled water for basic cleansing

During the Year, the Group's total water consumption was 180,914.3 m<sup>3</sup>, with a corresponding intensity of 0.1 m<sup>3</sup>/m<sup>2</sup>. The overall performance increased by approximately 12.8% compared to the previous year, mainly due to several intense heatwaves in France during the summer of 2025, which led to an increase in water consumption for the Group's golf course operations in Paris compared to last year. During the Year, the Group did not encounter any problems in obtaining suitable water source.

Water consumption	Unit	2025	2024	Percentage of Changes
Water consumption in total	m <sup>3</sup>	180,914.3	160,431.6	12.8%
Water consumption intensity (in area)	m <sup>3</sup> /m <sup>2</sup>	0.1	0.1	-

**MITIGATING ENVIRONMENTAL IMPACT**

As an integrated enterprise spanning financial services, property and hotel operations, First Shanghai fully recognizes the potential impacts of its operational activities on the environment and natural resources, and manages them in a prudent and forward-looking manner. The Group has identified the environmental impacts of its major business activities and formulated corresponding management policies and operational guidelines aligned with the nature of its businesses, including the "Policies for Minimizing Significant Impact of the Operation on the Environment and Natural Resources" and the "Hazardous Waste Environmental Emergency Plan", to regulate daily operations and address potential environmental risks. These measures are regularly reviewed through established monitoring mechanisms to ensure their effectiveness and compliance.

In terms of financial services, the Group has integrated environmental and social risks into its investment and business decision-making considerations. Through investment screening and risk assessment mechanisms, we mitigate potential negative environmental and social impacts and promote responsible investment practices. Regarding property and hotel operations, we focus on strengthening the management of hazardous waste and chemicals, strictly adhering to relevant laws and regulatory requirements, and paying pollution-related fees as required. Simultaneously, we have established emergency response and pollution prevention measures to reduce potential impacts on the environment and the community.

Looking ahead, First Shanghai will continue to review and refine its environmental management measures, gradually deepening the application of sustainability concepts and green finance principles across all business levels. We regard environmental responsibility as an essential part of corporate governance and long-term development, striving to maintain an appropriate balance between business growth and environmental protection, and making substantive contributions to promoting a more sustainable future.

# SOCIAL

## OUR POLICIES



### Employees



- "Staff Handbook"
- "Equal Opportunity Policy"
- "Policy on Prevention of Child Labour or Forced Labour"
- "Occupational Safety and Health Ordinance"
- "Employee Training Policy"
- "Employee Training and Development Policy"



### Customers



- "Compliance Manual"
- "Operation Manual"
- "ESG Investment Management Measures"
- "Product Supervision and Management Policy"
- "HACCP Food Safety Procedures Manual"
- "Sites Crisis Team Manual"
- "Advertising Review Guidelines"



### Community



- "Community Charity Policy"

## TALENT DEVELOPMENT

Talent is the core capital for the long-term development of First Shanghai. The Group firmly believes that a team with professional competence, a sense of responsibility, and shared values is the key to supporting stable business operations and sustainable growth. Therefore, we continuously refine our human resource management system and adhere to a "people-oriented" approach. We are committed to protecting employees' rights and interests while systematically cultivating and retaining talent, creating a cohesive work environment with development potential.

### COMPREHENSIVE TALENT MANAGEMENT

The Group has established a comprehensive human resource management system covering recruitment, compensation and benefits, performance management, training and development, and promotion arrangements. We regularly review and optimize relevant policies in accordance with business development and manpower needs. Through an established performance appraisal mechanism, we objectively assess employee performance and integrate the appraisal results with training plans and career development, encouraging employees to continuously enhance their professional capabilities and work performance.

To ensure the consistency and fairness of the management system, the Group has formulated and implemented various human resource-related policies, including the “Employee Handbook,” “Equal Opportunity Policy,” and “Employee Training and Development Policy.” These policies clearly regulate employment arrangements, anti-discrimination principles, and training management requirements. We are committed to providing employees with clear career development paths and reasonable promotion opportunities. By regularly collecting employee opinions and feedback, we continuously review the effectiveness of our talent management measures to ensure they meet employee expectations and the Group’s long-term development needs.

The Group will continue to adopt “people-oriented” as the core principle of talent management, gradually strengthening the construction of the talent pipeline and enhancing overall organizational resilience to lay a solid talent foundation for the Group’s sustainable development.

#### *Competitive Remuneration and Benefits*

First Shanghai is committed to establishing a fair and market-competitive compensation and benefits system to attract, motivate, and retain suitable talent, supporting the long-term development of the Group’s business. The Group regularly refers to market salary levels and industry practices, combined with business needs, to ensure that overall remuneration arrangements are consistent with employees’ responsibilities, performance, and contributions. The Group also adjusts employee compensation and benefits in accordance with the local regulatory requirements of each operational site. For instance, the Wuxi property investment office and Wuxi hotel adjusted employee compensation during the year in response to the upward adjustment of the social security contribution base for the 2025 fiscal year in Jiangsu Province.

In addition to basic salary, the Group provides employees with diversified welfare protection, including medical insurance plans covering both the employees and their immediate family members to care for the health needs of employees and their families. Regarding leave arrangements, we provide annual leave and various types of statutory and discretionary leave, including marriage leave, sick leave, maternity leave, paternity leave, bereavement leave, examination leave, birthday leave, and other compassionate leave arrangements to help employees achieve a balance between work and personal life. Furthermore, the Group has established incentive and motivation mechanisms, such as year-end bonuses and performance-related rewards, and provides other benefits or allowances based on actual circumstances, including festive arrangements and further education support.

The Group’s compensation management system is based on the principles of fairness, transparency, and performance-based evaluation. When determining salary and adjustment arrangements, we comprehensively consider factors such as the employee’s scope of responsibility, job complexity, professional qualifications, work experience, market levels, and performance. Through established performance appraisal mechanisms and regular performance reviews, we ensure consistency and rationality in salary adjustments, promotions, and development arrangements. Through the aforementioned arrangements, the Group aims to provide employees with a competitive and sustainable talent incentive mechanism.

### ***Culture of Inclusiveness and Diversity***

First Shanghai is committed to creating a diverse, equitable, and inclusive work environment, allowing employees to leverage their professional capabilities within a culture of mutual respect and support, thereby supporting the long-term and sustainable development of the Group. The Group believes that diverse backgrounds and perspectives help improve decision-making quality, foster innovation, and enhance the overall competitiveness of the organization.

In every aspect of talent management—including recruitment, salary adjustment, performance appraisal, promotion, and training arrangements—the Group adopts employees’ abilities, performance, and professional qualifications as the primary evaluation criteria to ensure that procedures are fair and consistent, providing equal development opportunities for all employees. The Group has formulated and implemented the “Equal Opportunity Policy” and relevant internal guidelines, explicitly prohibiting any form of discrimination, harassment, or unfair treatment, including but not limited to acts based on gender, age, race, sexual orientation, nationality, religion, disability status, or other personal characteristics.

Meanwhile, the Group has established a settled grievance and handling mechanism to ensure that employees can report related matters and receive appropriate and confidential follow-up. We will continue to review and refine relevant policies and management measures to further promote the implementation of an inclusive culture, building a safe, respectful, and cohesive work environment for our employees.

### ***Strict Labour Standards***

First Shanghai strictly complies with the labor laws and regulations of each operational region, ensuring that the recruitment and employment processes are legal and compliant, and has established a comprehensive internal management system on this basis. The Group has formulated the “Policy on Prevention of Child and Forced Labor” and established identity verification and background check mechanisms to eliminate any form of child or forced labor. During the recruitment process, we strictly review applicants’ identity documents, academic qualifications, and work experience to ensure that their age and qualifications meet statutory requirements and corporate standards.

All employment relationships are built on the principles of voluntariness, equality, and transparency. Employees sign formal labor contracts that clearly stipulate key terms such as job responsibilities, working hours, and remuneration. Meanwhile, we respect employees’ freedom of professional choice and provide standardized and reasonable resignation arrangements, including clear notification procedures, reasonable notice periods, and the settlement of relevant entitlements. The Group conducts regular internal audits and monitoring to ensure the effective implementation of various labor policies, and to promptly identify and rectify potential non-compliance, thereby protecting the legitimate rights and interests of employees.

### ***Open Communication Mechanism***

First Shanghai has established diversified employee communication channels, including physical and electronic platforms, to ensure that employees can conveniently and timely express their opinions, suggestions, or grievances. Employees can submit feedback through various methods, such as in writing or via email, regarding daily work, policies, or other matters of concern.

To protect employee rights, the Group maintains a strict confidentiality system where all grievances are handled by designated personnel to ensure information security and personal privacy. The grievance process follows the principles of fairness, impartiality, and transparency, with results fed back to the relevant employees promptly upon completion of the investigation. Based on the investigation findings, the Group takes necessary improvement measures to continuously optimize the work environment and management processes, promoting employee participation and enhancing organizational cohesion.

During the Reporting Period, the Group's hotel business continuously improved service quality and customer experience through diversified internal activities and management mechanisms. During the year, the Wuxi hotel organized the annual Team Member Appreciation Week and International Housekeeping Week to recognize employee contributions and strengthen service awareness, ensuring that the frontline team maintains a high level of professional performance. Simultaneously, the hotel conducted a global employee satisfaction survey to comprehensively understand employee opinions and work experiences, utilizing the results to optimize management and training arrangements.

As of the end of the Year, the Group had a total of 338 employees in Hong Kong, Mainland China, and Paris, France, accounting for 41%, 32%, and 27% respectively. In addition, the Group employed 27 and 950 other workers in Hong Kong and Mainland China, respectively, to assist in operations. This diverse team provides strong momentum for the company's continuous development.

### **Occupational Safety and Health**

First Shanghai regards the health and safety of its employees as a core management priority and is committed to providing a safe, healthy, and supportive work environment. We recognize that a safe and healthy workplace not only enhances employee efficiency and productivity but also boosts morale and team cohesion. To this end, the Group has formulated and implemented the "Occupational Health and Safety Policy" and the "Policy on Employee Physical and Mental Well-being," establishing clear safety guidelines and operating procedures for different departments and positions to systematically identify and mitigate various occupational risks.

At the operational level, we invest the necessary human and material resources to ensure that all policies are effectively implemented. Meanwhile, the Group conducts a comprehensive review and continuous optimization of its safety management system every year based on actual operational conditions, accident records, and employee feedback. We update operational processes and safety measures to maintain high standards of occupational health and safety management, safeguarding the physical and mental well-being of our employees.

For example, the Wuxi hotel provides pre-employment medical examinations for new hires to ensure their physical condition meets the requirements of their respective roles and to identify potential health risks early. Additionally, the hotel has established a "Mind Care Platform" to provide emotional support and mental health resources, assisting employees in coping with work and life stress and promoting a healthy work-life balance. Furthermore, we arrange Traditional Chinese Medicine (TCM) consultation services to provide professional health advice and conditioning suggestions, enhancing the overall health level of employees from the perspectives of prevention and healthcare.

### ***Safe working environment***

First Shanghai has established a comprehensive workplace safety management system, conducting regular safety assessments and inspections to ensure that infrastructure and environment maintain high safety standards. Regarding the management of fire and emergency equipment, we regularly test the functionality of equipment such as smoke detectors, fire extinguishers, and fire alarm systems, and maintain first-aid equipment according to regulations to ensure that first-aid kits are fully stocked and within their expiration dates. Meanwhile, we emphasize the clearance of internal passages and escape routes within buildings, conducting regular patrols and clearing obstacles to ensure that employees can evacuate quickly and safely in case of an emergency.

In terms of the office environment and facilities, we continuously invest resources to improve working conditions, including regular cleaning and maintenance of air conditioning systems to keep indoor air fresh and circulating. We also provide employees with ergonomic chairs, computer stands, footrests, wrist pads, and screen filters to help reduce the risk of muscle strain or occupational diseases caused by prolonged sitting and fixed postures. These measures aim to create a safe, healthy, and comfortable working environment, safeguarding the occupational health and well-being of our employees.

### ***Occupational safety and health education***

First Shanghai attaches great importance to occupational safety and health education for its employees, continuously implementing diversified training programs to enhance safety awareness and response capabilities. The training content covers basic workplace health and safety knowledge, first-aid skills, fire safety and fire extinguisher operation, office ergonomics, and correct working postures. Training formats include theoretical courses, practical drills, and case studies to ensure that employees can effectively apply the knowledge learned to their daily work.

Furthermore, the Group compiles and continuously updates safety manuals to provide clear operational guidelines and safety norms, ensuring that training content remains consistent with the latest regulations and industry standards. Through continuous education and practical drills, we are committed to enhancing employees' ability to respond to various occupational risks and creating a safe, healthy, and sustainable working environment.

### ***Crisis management***

In view of the characteristics of the property and hotel businesses, First Shanghai has formulated a comprehensive "Crisis Management Manual" to provide clear response guidelines for various emergencies. The manual covers the handling of personal accidents, emergency medical rescue, response to sudden illnesses, natural disaster prevention, and other safety incident handling procedures. Each process has undergone detailed planning and multiple verifications to ensure rapid and effective execution in actual situations.

The Group regularly organizes crisis management drills, covering fire evacuation, first-aid operations, and emergency communication. These drills allow employees to become familiar with and proficient in responding to various emergencies. Through continuous training and drills, we ensure that employees can make accurate and rapid responses when a crisis occurs, which not only safeguards personnel safety but also maintains business continuity. A well-established crisis management system not only enhances employee safety awareness but also provides a solid guarantee for the Group's long-term stability and sustainable development.

### Five steps to crisis management

#### 1 Feedback and reporting

In the event of a crisis, employees report the situation to relevant parties and organizations such as the crisis management team, regional managers, and the international rescue center.

#### 2 Evaluation

The crisis management team will conduct an assessment on the on-site situation and decide on emergency measures. When the assessment is completed, they will notify key persons in charge of handling the incident, and provide the latest report on the situation and the upcoming action plan. To ensure the safety of all people, they will be responsible for guiding the on-site personnel to evacuate safely and orderly when necessary.

#### 3 Handover

To ensure that the incident is properly handled, the on-site crisis management team shall hand over the command to the relevant person in charge and the command center as soon as possible.

#### 4 Implementation and reporting

The relevant person in charge and the command center will communicate with the hotel crisis management team about their decisions and action plans, the team of which is composed of different employees, who perform their respective duties and coordinate with each other. Thereby, we are able to ensure that all the handling steps can be properly implemented as soon as possible, so as to effectively resolve any crisis that may arise.

#### 5 Resolving

We carry out continuous crisis management and prevent the further spread of the crisis until the relevant crisis is completely solved. After the crisis is over, we conduct post-emergency assessment and analyze the causes of the crisis and the response to the crisis, so as to improve the future crisis management strategy.

During the Year, the Group recorded a total of 9 cases of work-related injuries, involving a total of 375 lost days due to such injuries. No work-related fatalities were recorded. The Group will continue to enhance employees' safety awareness and is committed to maintaining a safe and healthy work environment. We provide regular professional safety training and ensure the effective implementation of various safety protocols through a strict supervision mechanism. Meanwhile, the Group continuously reviews and optimizes existing safety measures to address the ever-changing risk environment. We believe that through persistent efforts, we can create a safer, healthier, and more sustainable work environment for our employees.

**TRAINING AND DEVELOPMENT**

First Shanghai is deeply aware of the importance of talent cultivation to the long-term sustainable development of the enterprise and is committed to enhancing the professional competence and vocational skills of its employees. We have established a comprehensive talent development system to provide employees with diversified training opportunities. Both the Hong Kong headquarters and the property and hotel businesses have well-established training systems, covering guiding documents such as the “Employee Training Policy” and the “Employee Training and Development Policy.” The Human Resources Department formulates practical annual training plans through regular questionnaire surveys and needs assessments to ensure that training content aligns with employee aspirations and business development requirements.

The Group attaches great importance to induction training for new employees while providing existing employees with opportunities for continuous education and skill enhancement. Through systematic and targeted training, we help employees master the knowledge and skills required for their positions, improve work efficiency and professional competitiveness, and achieve their personal career goals. We believe that continuous investment in employee learning and development not only enhances the overall capability of the team but also brings long-term value to the Company.

Employees trained	Average training hours
209 in total	Total 4.3 hours per employee

Orientation Trainings for New Employees	Annual Trainings	External Trainings
<p>We provide new employees with an employee handbook and a comprehensive training program that covers areas such as company culture, business model, working procedures and position requirements. We also provide training on relevant knowledge and skills required by new employees to ensure they can quickly integrate into the team and master the required job skills.</p>	<p>We conduct regular assessment of employee performance and develop appropriate customized training plans based on their career development requirements. Through our systematic internal training courses and development opportunities, we assist employees in enhancing their professional skills and achieving career goals.</p>	<p>The Group actively supports employees in participating in external professional development and training activities related to their positions, including professional courses, seminars, and workshops. Employees can apply to their department heads for attending relevant training sessions, so as to broaden their visions and enhance their professional skills.</p>

### Professional Skill Trainings

#### Financial Services segment

We provide comprehensive professional training for employees in the Financial Services department, including courses on enhancing customer service skills, developing multi-language communication abilities, and updates on the latest laws and regulations. Licensed financial practitioners can also participate in targeted professional training covering core areas such as financial product knowledge, accounting standards, and financial management.

#### Property and Hotel segment

To ensure excellence in service quality, we provide tailored and diversified training programs for employees in our property and hotel businesses. The curriculum comprises practical courses such as effective management techniques, premium customer service, crisis management, financial operations, professional skill enhancement, and language training, comprehensively improving the integrated competitiveness of our staff.

During the Year, management personnel of the Wuxi Hotel participated in the Harvard ManageMentor leadership program. New employees received systematic orientation training, while frontline staff completed 45 days of skills training and were arranged to participate in occupational skill certifications to fully enhance their professional capabilities and service standards.



## CUSTOMERS

First Shanghai upholds “Customer First” as its core value and is committed to providing excellent products and professional services. We have established a comprehensive quality management system, including refined internal regulations, rigorous supervisory mechanisms, and standardized operating procedures to ensure consistent service quality. Through this system, we can accurately respond to customer needs while protecting their rights and interests, continuously enhancing customer satisfaction and trust.

## PRODUCT AND SERVICE RESPONSIBILITY

### Financial Services Segment

The Group strictly complies with the Securities and Futures Commission codes and guidelines on advertising conduct and has formulated risk disclosure policies for financial products. The “Compliance Manual” and “Operation Manual” of the Hong Kong headquarters clearly stipulate operational standards related to financial services and products, including risk information disclosure, due diligence, and client suitability assessments. Employees are required to clearly explain investment risks to clients and assist them in making appropriate investment decisions based on their needs and risk tolerance.

The Group has established a due diligence mechanism specifically for financial products to ensure that our financial products and services meet customer needs while complying with all regulatory standards and requirements. Furthermore, in accordance with the “ESG Investment Management Measures”, we assess ESG risks within investment projects. We integrate ESG information with traditional financial data, refer to ESG ratings of relevant standards, and make investment decisions that best align with our goals and policies based on the assessment results.

### **Property and Hotel Segment**

#### ***Food Safety Management***

The Wuxi Property Investment Office and Wuxi Hotel consistently adhere to the highest international standards in food safety management, adopting the HACCP (Hazard Analysis and Critical Control Points) system as their core benchmark. Through the “Product Supervision and Management Policy” and the “HACCP Food Safety Procedures Manual,” the Group has established a comprehensive food safety control system covering raw material procurement, storage, processing, finished products, and takeaway catering services, ensuring that every stage is under strict monitoring. In terms of supplier management, we continue to implement rigorous assessment and selection mechanisms to ensure that all ingredients meet safety and quality requirements.

To guarantee the effective operation of the food safety system, we have established a multi-layered monitoring mechanism, including regular raw material testing, processing environment monitoring, and random inspections of finished products. Meanwhile, employees receive continuous food safety training, covering hygiene knowledge, safe operating procedures and emergency response. If potential safety risks are identified, we immediately activate a rapid response mechanism for correction and prevention. Furthermore, the Group has established a robust supplier communication and food traceability system to ensure that ingredients are traceable from source to finished product, and regularly conducts quality review meetings with suppliers to continuously optimize management measures. These measures have enabled our food safety performance to consistently meet standards in 2025, providing customers with a safe and high-quality dining experience.

#### ***Facilities operation and safety***

The Wuxi Hotel and L’Isle Adam, Paris have consistently upheld a rigorous facility management system, implementing comprehensive inspection and maintenance plans. Our professional engineering teams conduct daily equipment patrols, weekly in-depth inspections, and monthly comprehensive facility assessments to ensure all equipment remains in optimal operating condition. For critical facilities such as elevators, fire safety systems, water supply and power systems, we adopt even stricter inspection standards and maintenance procedures to ensure safe and reliable operations.

For outdoor facilities at the hotel and golf course, such as swimming pools, terraces and outdoor dining areas, we have established robust weather monitoring and response mechanisms to flexibly adjust opening and usage arrangements based on different weather conditions. During adverse weather warnings, we notify guests in advance and take precautionary measures to safeguard guest safety. Meanwhile, the Group regularly updates facility usage guidelines and installs clear safety signs throughout the premises to ensure guests are fully protected when using the facilities. In 2025, the Group’s facility operations and safety management achieved significant results, with all critical facilities complying with internal standards and regulatory requirements, safeguarding the safety of both guests and employees.

#### ***Crisis response mechanism***

The Group has established a comprehensive and systematic crisis management framework, formulating clear response plans for various potential risks, including the “Crisis Management Manual” for the Wuxi Hotel. We provide regular professional crisis management training for our employees, covering fire emergencies, medical first aid, natural disasters, security incidents, and other emergencies, with targeted training plans designed based on departmental characteristics. Training formats include theoretical lectures, practical drills and case studies to ensure employees are familiar with emergency procedures and can handle unexpected incidents rapidly and effectively.

Furthermore, we continuously review and optimize our crisis management plans to incorporate the latest safety standards, regulatory requirements and practical experiences. In 2025, all key response procedures were formally integrated into the Group’s internal control system, and a cross-departmental coordination mechanism was established to enhance overall response efficiency. Through these measures, we ensure that employees can maintain professional composure and respond swiftly in various emergencies, safeguarding the safety of customers and employees while maintaining stability business operation .

### **Customer Engagement and Service Quality Management**

The Group adheres to a customer-centric philosophy and is committed to establishing long-term and stable cooperative relationships. We provide diversified contact methods, including telephone, email, online platforms, and face-to-face communication, making it convenient for customers to voice their opinions or needs at any time. Through regular satisfaction surveys and feedback analysis, we continuously optimize our service processes to ensure we accurately meet the expectations of different customer segments. The Financial Services department has a dedicated team to handle customer inquiries and issues in real-time, while the Wuxi Hotel maintains a high-quality guest experience through strict service standards.

To enhance overall service standards, we have established comprehensive grievance and suggestion channels covering matters such as product safety, intellectual property and data protection. All feedback from customers and employees is followed up and handled by dedicated departments, with corresponding improvement actions taken. We are committed to ensuring that every piece of feedback is taken seriously, continuously improving service efficiency and customer satisfaction, and building a reliable and professional brand image.

During the Year, the Group received a total of 149 complaints, primarily from guests at the Paris hotel regarding waiting times and catering quality. During the Year, we fully recorded and handled all customer feedback in accordance with regulations, and relevant improvement measures have been implemented. We regard every piece of feedback as a valuable opportunity to enhance our services and will continue to strive to provide customers with even more outstanding products and experiences.

### **Responsible Marketing and Brand Management**

The Group fully recognizes the importance of marketing integrity in protecting consumer rights and maintaining brand reputation. All external promotional information must be truthful, accurate, and clear; any content that is misleading or false is strictly prohibited. The Hong Kong Headquarters and the Wuxi Hotel have respectively formulated the “Compliance Manuals” and “Advertising Review Guidelines” to standardize the production and review processes of promotional materials. The Group regularly conducts compliance checks on promotional materials to ensure rigorous review underwent before publication. If any non-compliant content is identified, we take immediate corrective actions, including ceasing the use of the relevant materials and publicly disclosing the handling plan.

Regarding product labeling and partner management, the Group maintains a zero-tolerance policy toward any non-compliance. Upon discovery, immediate actions are taken, including suspending relevant procurement and re-evaluating the qualifications of the supplier or partner. For marketing regulation related to financial services, please refer to the “Product and Service Responsibility” section for details.

### **Data Privacy and Network Security**

As an enterprise handling large volumes of customer data, First Shanghai attaches great importance to information security and customer privacy protection, regarding cybersecurity as one of the Group’s material issues. We implement stringent protective measures at every stage of data collection, storage, usage and processing, adhering to the principle of “informed consent” to ensure customers fully understand the purpose and scope of data usage. In terms of data management, we employ industry-leading encryption technologies and security protocols, and have established robust mechanisms for data classification, access rights management and access control to ensure that sensitive information is restricted to authorized personnel. All customer data is properly handled and securely destroyed in accordance with internal regulations once its purpose is fulfilled.

## SOCIAL

Regarding cybersecurity defense, we adopt a comprehensive protection strategy, including:

- **Software and Hardware Security:** All software is procured through official channels and updated regularly. Servers and terminal devices are equipped with the latest firewalls, anti-virus software, and Intrusion Detection Systems (IDS), supported by real-time monitoring.
- **Server Room and Facility Protection:** Server rooms in hotels and offices are equipped with access control systems, surveillance cameras, fire suppression, and temperature/humidity control equipment, alongside Uninterruptible Power Supply (UPS) systems and data backups to ensure business continuity.
- **Threat Detection and Emergency Response:** We regularly conduct vulnerability scanning, penetration testing, and security incident drills to rapidly identify and patch potential risks. We have established multi-level emergency response procedures to ensure swift isolation, analysis, and recovery in the event of a cyber incident.
- **Monitoring and Auditing:** System logs, operational records, and network traffic are continuously monitored, with regular internal audits conducted to ensure the effective implementation of security measures.

In terms of employee training, we have integrated cybersecurity education into our mandatory curriculum, combining theoretical instruction, case studies, and simulated exercises to enhance employees' awareness and response capabilities regarding cyber threats. New hires are required to complete basic information security training, while employees handling sensitive data and system operations undergo advanced professional training. We also regularly conduct cybersecurity awareness tests and emergency drills to ensure all staff can take prompt and correct actions in real-world scenarios, safeguarding customer data and the overall security of the Group's systems.

Through these measures, First Shanghai has established a comprehensive, rigorous, and continuously updated information and cybersecurity management system, effectively mitigating risks in a digital business environment to protect customer interests and stable business operations.

### **Protection of Intellectual Property Rights**

First Shanghai strictly complies with laws and regulations related to intellectual property rights and has established a comprehensive management system to ensure that both independent research and development achievements and third-party intellectual property are effectively protected. The use of all content involving third-party intellectual property must undergo a rigorous review process, including assessments by relevant departments, oversight by supervisors, and explicit authorization from the IP rights holders. Our IT department regularly inspects all software in use to ensure that all applications are legitimately licensed, strictly prohibiting the use of any pirated or unauthorized software products. We absolutely do not tolerate the use of any IP-protected works through illegal means, including unauthorized reproduction, distribution, sale, or rental.

We believe that respecting intellectual property is not only a legal responsibility but also the core of maintaining fair market competition and fostering innovation. By continuously refining intellectual property management measures, the Group is committed to creating a corporate culture that respects innovation and protects intellectual achievements, thereby supporting the sustainable development of our business.

## COMMUNITY

First Shanghai upholds the philosophy of "beneficiary from the society, giving back to the society". We actively fulfill our corporate social responsibility by promoting community development, enhancing the quality of life for residents and fostering social inclusion. By establishing close community ties and leveraging corporate resources and influence, we support a diverse range of projects, including environmental conservation, educational development and community support.

To ensure the effectiveness of our community investment, the Group has formulated the "Community Charity Policy" to provide clear guidance for each Place of Business. In response to the actual needs of different communities, we implement targeted investment projects and are committed to achieving mutual growth and sustainable development for both the enterprise and the community.

Donations	In-kind Donations	Volunteer Activities
HK\$50,488 in total	Equivalent to HK\$17,902	A total of 9 employees participated in volunteer work, contributing a total of 229 hours of volunteer service.

The Group continues to support environmental protection and charitable organizations through practical actions, giving back to society and promoting sustainable development through donations and volunteer participation. During the Year, we participated in the Flag Day organized by World Wide Fund for Nature (WWF) – Hong Kong to support its environmental conservation efforts. Simultaneously, we donated supplies such as medical and nursing products to various non-governmental organizations, including Hong Kong Christian Service, United Christian Nethersole Community Health Service, Cheung Chau Sports Therapy Centre, and the Hong Kong Saving Cat and Dog Association, supporting their community services and the needs of vulnerable groups. Through these actions, we aim to promote community development while mitigating the impact of economic activities on the environment and society.

#### Volunteer Services

- The Group continued to organize a honey collecting activity with Domaine Des Trois Gouttes. Our employees actively participated in this activity to share beekeepers' workloads during the busiest period, and at the same time deepened the understanding of the importance of environmental protection.
- The Group continued its collaboration with Le Clos du Nid, an organization supporting individuals with physical and mental disabilities, to co-organize volunteer activities. Together, we maintained the vegetable garden of the Group's hotel and assisted in planting various vegetables and herbs, realizing the "Farm-to-Table" concept.
- Employees were invited to participate in the Flag Day to raise funds for World Wide Fund for Nature (WWF) – Hong Kong, contributing to the conservation of the natural environment.

#### Donations

- The Group donated HK\$50,488 to World Wide Fund for Nature (WWF) – Hong Kong, aiming to support the organization's efforts in environmental conservation. The Group also supported the annual "Walk for Nature" event through employee participation, contributing to environmental protection.

#### In-kind Donations

- The Group donated supplies with a total value equivalent to HK\$17,902 to the Hong Kong Christian Service, United Christian Nethersole Community Health Service, Cheung Chau Sports Therapy Centre, and the Hong Kong Saving Cat and Dog Association, such as rehabilitation, medical and nursing supplies.

# GOVERNANCE

As a diversified enterprise encompassing financial services, property and hotel businesses, First Shanghai is committed to providing excellent products and services. We strictly adhere to professional codes of conduct and rigorously comply with the laws, regulations and internal rules of each operating region, ensuring that our business operations meet the highest standards. We have established robust internal control and management mechanisms, continuously optimizing operational processes and service quality to maintain customer trust, strengthen corporate reputation, and drive the sustainable development of our business.

## OUR POLICIES



### Compliant operation, corruption-free operation



- "Prevention of Bribery and Anti-Money Laundering Policy"
- "Prevention of Fraud and Blackmail Policy"
- "Compliance Manual"



### Supply chain management



- "Supply Chain Management Policy"
- "Supply Chain Policy relating to Environmental Risk Management"
- "Responsible Procurement Policy"

## COMPLIANCE MANAGEMENT

Compliance management is a fundamental pillar of an enterprise's sustainable development. First Shanghai has established a comprehensive compliance system encompassing internal policies, operational guidelines and monitoring procedures to ensure that daily business operations align with regulatory requirements and business ethics standards. All departments are required to strictly adhere to the compliance system and conduct regular reviews to adapt to the ever-changing regulatory landscape.

During the Year, the Group recorded no incidents of material non-compliance in the ESG categories, nor was it involved in any legal proceedings related to corruption. This demonstrates the effectiveness of our compliance management mechanism in safeguarding the Group's stability and sustainable development.

The following laws and regulations have been identified as having a significant impact on the Group:

Aspect	Laws and regulations that have a material impact on the Group	
Emissions	Hong Kong	"Air Pollution Control Ordinance"
	Chinese Mainland	"Environmental Protection Law of the People's Republic of China"
	France	"LAW no. 2018-1021 of November 23, 2018 "ELAN" (Evolution du logement, de l'Aménagement et du numérique), and related decree called "Décret tertiaire" "Article L229-25 of Code de l'environnement"

Aspect	Laws and regulations that have a material impact on the Group	
Employment and labour practices	Hong Kong	"Employment Ordinance" "Minimum Wage Ordinance" "Employees' Compensation Ordinance" "Employment of Children Regulations" "Mandatory Provident Fund Schemes Ordinance"
	Chinese Mainland	"Social Insurance Law of the People's Republic of China" "Employment Promotion Law of the People's Republic of China" "Labour Contract Law of the People's Republic of China"
	France	"French Labor Code" "Golf Collective Bargaining Agreement"
Occupational health and safety	Hong Kong	"Occupational Safety and Health Ordinance"
	Chinese Mainland	"Production Safety Law of the People's Republic of China"
	France	"French Labor Code" "French Social Security Code"
Product responsibility	Hong Kong	"Trade Descriptions Ordinance" "Prevention of Copyright Piracy Ordinance" "Personal Data (Privacy) Ordinance" "Securities and Futures Ordinance" "Code of Conduct for Persons registered with the Securities and Futures Commission"
		Chinese Mainland
	France	"French Civil Code" "European regulation no. 178/2002 of January 28, 2002 on the requirements of food law, the European Food Safety" "Authority and food safety procedures" "French Consumer Code" "European regulation of April 29, 2004 on the hygiene of foodstuffs" "Rural and Maritime Fishing Code: article L233-4" "Decree no. 2016-1331 of October 6, 2016 on companies' obligations with regard to locker rooms and catering in the workplace" "Decree of December 21, 2009 on sanitary rules in the retail, storage and transport of products of animal origin and foodstuffs containing them" "Order of October 8, 2013 on sanitary rules applicable to the retail, storage and transport of food products and foodstuffs"

Aspect	Laws and regulations that have a material impact on the Group	
Anti-corruption	Hong Kong	"Prevention of Bribery Ordinance" "Anti-Money Laundering and Counter-Terrorist Financing Ordinance"
	Chinese Mainland	"Anti-Money Laundering Law of the People's Republic of China" "Anti-Unfair Competition Law of the People's Republic of China" "Criminal Law of the People's Republic of China"
	France	"LAW no. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life (known as the "Law Sapin II")"



## CORRUPTION-FREE OPERATION

First Shanghai upholds the core philosophy of operating with integrity and maintains a zero-tolerance policy toward any form of misconduct, strictly prohibiting acts of bribery, fraud, extortion and money laundering. The Group has established a robust policy framework, including the "Prevention of Bribery and Anti-Money Laundering Policy", the "Prevention of Fraud and Blackmail Policy", and the business ethics guidelines in our "Compliance Manual". These documents provide directors and employees with clear codes of conduct, supported by a rigorous internal control mechanism.

Through regular compliance reviews and specialized training, we strengthen our employees' understanding of anti-corruption and anti-money laundering regulations, ensuring the effective implementation of our policies. Furthermore, we strive to cultivate a corporate culture rooted in uprightness and integrity, safeguarding the probity and sustainable development of the Group's business operations.

### Whistleblowing mechanism

The Group has established a robust anonymous whistleblowing mechanism, enabling employees and other stakeholders to safely report any suspected misconduct. All reports are handled with strict confidentiality and are subject to investigation by the management and the compliance department. Upon confirmation of non-compliance, we will implement appropriate disciplinary actions or refer the case to relevant law enforcement agencies, ensuring that violations are effectively deterred and addressed.

### Awareness Training

We fully recognize the critical importance of continuous training in maintaining corporate integrity and actively implement a comprehensive training program. In addition to regular business ethics and integrity training for all staff, we focus on the specialized professional needs of different departments. Employees in the Financial Services Segment are required to participate in regular professional training on anti-money laundering and counter-terrorist financing to ensure they are well-versed in the latest regulatory requirements and compliance knowledge. These sessions cover essential content such as practical case studies, interpretations of current regulations and risk identification techniques. For employees at the Wuxi Hotel, we provide an annual online training session specifically designed to enhance anti-corruption awareness. During the Year, the Group also provided sufficient anti-corruption training to both directors and employees to continuously strengthen their awareness and commitment to anti-corruption practices.

## SUPPLY CHAIN MANAGEMENT

### Supplier assessment

Based on the “Supply Chain Management Policy” and “Responsible Procurement Policy”, the Group has established a comprehensive supplier management system to ensure fairness and transparency throughout the procurement process. During the selection process, suppliers must undergo rigorous evaluations that consider not only the quality of products and services but also their performance in environmental protection, social responsibility and business ethics. We require all partners to comply with relevant laws and regulations, safeguard workplace safety and employee rights, and commit to continuously improving their environmental and social impacts. Through this mechanism, the Group is committed to building a sustainable supply chain to ensure the delivery of reliable and high-quality products and services to our customers.

### Supplier selection

- Performance in compliance and business ethics: including compliance, procurement practices, fair trade, human rights, animal welfare and commitments to environmental protection and other aspects
- Environmental protection commitment and practice: source locally to the greatest extent to reduce emissions from transportation and avoid over-packaging for protecting goods in long-distance transit
- Sustainable development strategy and social responsibility performance: take into consideration their past operating records and their commitment to environment and society in the operating policies when selecting hotel managers

### Supplier assessment

- Suppliers are selected based on strict evaluation criteria
- Qualified suppliers are included in the approved supplier list
- We will manage the suppliers on the list and regularly review their performance to ensure that their operations, products or services meet the requirements stipulated by both parties

In evaluating suppliers, the Group prioritizes their commitment to environmental and social responsibility alongside their business performance. We have formulated specialized supply chain risk management policies, including the “Supply Chain Policy Related to Environmental Risk Management” and the “Supply Chain Policy Related to Social Risk Management”, to systematically assess suppliers' performance in environmental protection and social responsibility. By integrating ESG factors into our supplier selection and daily management processes, we ensure the sustainability and reliability of our supply chain, thereby supporting the Group's long-term stable development.

We expect our suppliers to provide high-quality products and services that align with the Group's environmental and social standards:

### Environmental standards

- Improve the environmental performance of business operations, including reducing emissions and waste generation, and enhancing resource efficiency
- Conserve energy and mitigate environmental pollution
- Comply with all environmental specification requirements

### Social standards

- Sign confidentiality agreements to ensure information privacy and data security
- Comply with all applicable laws and regulations related ESG aspects
- Adopt internationally recognized ESG management systems
- Commit to demonstrating a dedication to sustainable development

During the Year, the Group collaborated with a total of 683 suppliers, including 52 product and service suppliers from Hong Kong, 196 from Chinese Mainland, and 435 from Europe and North America. All engagements were conducted in strict compliance with the relevant internal policies and procedures.

### Sustainable procurement

The Group upholds the principle of environmental responsibility throughout the procurement process, prioritizing energy-saving, low-carbon and environmentally friendly products and services. We focus on the environmental impact across the entire product life cycle and regard sustainability as a critical consideration in supplier evaluations. By promoting green procurement and environmental innovation, we are committed to building a low-carbon, sustainable supply chain and actively fulfilling the Group's long-term goals for environmental protection and social responsibility.

We pay particular attention to the following environmental attributes when selecting products and services:

- High energy efficiency products: Prioritizing equipment and products with energy efficiency certifications to ensure maximum energy savings during operation.
- Application of environmental technology and clean energy: Supporting products that adopt innovative green technologies and suppliers that use renewable or clean energy to promote the development and application of green technology.
- Recyclable, durable, and reduced-packaging products: Selecting products made from recyclable materials, featuring a long service life, and utilizing eco-friendly packaging designs to minimize waste generation.
- Low volatile organic compound emissions: Strictly controlling the content of hazardous substances in procured products, particularly the emissions of volatile organic compounds, to protect indoor air quality and employee health.
- Eco-friendly products with non-hazardous processing: Prioritizing products that utilize non-hazardous treatment technologies during production and ensure safe disposal at the end of their life cycle.

To ensure continuous improvement of the supply chain in terms of environmental and social responsibility, we have established a systematic supplier evaluation mechanism. We regularly review their performance across sustainability indicators, including environmental certifications, energy efficiency, waste management and carbon emission control. By integrating sustainability concepts into our procurement and supply chain management processes, we aim to achieve our business objectives while guiding the supply chain toward a greener and more responsible direction, effectively fulfilling our corporate social responsibility commitments.

# OVERVIEW OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE

	Unit	Hong Kong	2025			2024
			Wuxi	Paris	Total	Total
<b>Air pollutants<sup>3</sup></b>						
Nitrogen Oxides	kg	1.3	90.6	403.4	495.3	627.8
Sulphur Oxides	kg	0.04	0.6	0.3	0.9	1.1
Respiratory Suspended Particles	kg	0.1	0.1	18.5	18.7	23.2
<b>Greenhouse gas<sup>4</sup></b>						
Scope 1 <sup>5</sup>	tonnes of CO <sub>2</sub> e	6.7	202.6	109.1	318.4	367.0
Scope 2 <sup>6</sup>	tonnes of CO <sub>2</sub> e	140.8	5,112.8	175.8	5,429.4	6,107.7
Scope 3 <sup>7</sup>	tonnes of CO <sub>2</sub> e	8.7	9.1	6.6	24.4	21.1
Total GHG emissions	tonnes of CO <sub>2</sub> e	156.2	5,324.5	291.5	5,772.2	6,495.8
GHG intensity (in area)	tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.1	0.7	0.0002	0.003	0.004
GHG intensity (in revenue)	tonnes of CO <sub>2</sub> e/ HK\$ million	N/A	N/A	N/A	14.2	16.6

<sup>3</sup> The calculation of air pollutant emissions was mainly referenced to the Technical Guide for Preparation of Air Pollutant Emission Inventory for Road Vehicles (Trial Implementation) and the Technical Guide for Preparation of Primary Source Emission Inventory for Respirable Particulate Matter (Trial Implementation) and the Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial Implementation) issued by the Ministry of Ecology and Environment of the People's Republic of China. Vehicle emissions and natural gas combustion were the main sources of the emissions.

<sup>4</sup> The calculation of GHG emissions was mainly referenced to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong launched by the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong and the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Operators of Public Buildings (Trial Implementation) issued by the National Development and Reform Commission of China.

<sup>5</sup> Scope 1 represents direct GHG emissions, including mobile sources such as vehicles and refrigerant consumption from offices in Hong Kong and factories in Chinese Mainland.

<sup>6</sup> Scope 2 represents energy indirect GHG emissions, including purchased electricity at all Places of Business.

<sup>7</sup> Scope 3 represents other indirect GHG emissions, including waste paper, fresh water and sewage treatment at the place of business in Hong Kong, as well as business travel at all Places of Business.

## OVERVIEW OF KEY PERFORMANCE INDICATORS

	Unit	Hong Kong	2025 Wuxi	Paris	Total	2024 Total
<b>Waste</b>						
Total hazardous waste <sup>8</sup>	tonnes	0.2	–	–	0.2	0.2
Hazardous waste intensity (in area)	tonnes/thousand sq. m.	0.1	–	–	0.0001	0.0001
Total non-hazardous waste	tonnes	5.3	265.0	76.6	346.9	344.3
Non-hazardous waste intensity (in area)	tonnes/thousand sq. m.	2.9	36.7	0.04	0.2	0.2
<b>Energy</b>						
Direct energy <sup>9</sup>	MWh	24.4	576.3	236.8	837.5	1,054.2
Indirect energy <sup>10</sup>	MWh	234.6	10,853.8	2,358.9	13,447.3	14,514.8
Total energy consumption	MWh	259.0	11,430.1	2,595.7	14,284.8	15,569.0
Energy intensity (in area)	MWh/m <sup>2</sup>	0.1	1.6	0.001	0.01	0.01
<b>Water resources</b>						
Total water consumption	m <sup>3</sup>	1,132.2	96,344.1	83,438.0	180,914.3	160,431.6
Water consumption intensity (in area)	m <sup>3</sup> /m <sup>2</sup>	0.6	13.4	0.1	0.1	0.1

<sup>8</sup> The Group only generated a small amount of hazardous waste in its operations.

<sup>9</sup> Including petrol and natural gas.

<sup>10</sup> Including purchased electricity and heat.

## SOCIAL PERFORMANCE

		Hong Kong	2025 Wuxi	Paris	Total	2024 Total
<b>Number of employees<sup>11</sup></b>						
Gender	Male	71	40	56	167	207
	Female	66	69	36	171	241
Age	30 and below	18	19	33	70	116
	31–40	46	25	27	98	110
	41–50	30	17	17	64	105
	Above 50	43	48	15	106	117
Rank	Senior management	19	3	17	39	39
	Middle management	48	33	16	97	84
	General employees	70	73	59	202	325
Employment type	Full-time	137	94	89	320	425
	Part-time	0	15	3	18	23
Total		137	109	92	338	448
<b>Number of other workers</b>						
Gender	Male	18	265	0	283	543
	Female	9	685	0	694	1,128
Age	30 and below	1	62	0	63	0
	31–40	6	100	0	106	712
	41–50	2	688	0	690	856
	Above 50	18	100	0	118	103
Total		27	950	0	977	1,671

<sup>11</sup> Total number of employees at the end of the Reporting Period.

## OVERVIEW OF KEY PERFORMANCE INDICATORS

		Hong Kong	2025 Wuxi	Paris	Total	2024 Total
<b>New employee rate<sup>12</sup></b>						
Gender	Male	35%	20%	46%	35%	33%
	Female	20%	20%	61%	29%	46%
Age	30 and below	78%	89%	88%	86%	89%
	31-40	28%	8%	52%	30%	30%
	41-50	27%	6%	18%	19%	21%
	Above 50	7%	4%	13%	7%	19%
Total		28%	20%	52%	32%	40%
<b>Employee turnover rate<sup>13</sup></b>						
Gender	Male	27%	135%	64%	65%	46%
	Female	20%	112%	81%	70%	51%
Age	30 and below	72%	316%	130%	166%	123%
	31-40	22%	56%	48%	38%	25%
	41-50	20%	159%	35%	61%	22%
	Above 50	7%	63%	20%	34%	21%
Total		23%	120%	71%	67%	49%
<b>Health and safety<sup>14</sup></b>						
Number of work-related injuries		0	2	7	9	5
Lost days due to work-related injuries		0	167	208	375	221
Number of work-related fatalities		0	0	0	0	0
Work-related fatality rate		0	0	0	0	0

<sup>12</sup> New employee rate (in percentage) = number of new employee of the category/total workforce of the category at the end of the Reporting Period X 100%.

<sup>13</sup> Employee turnover rate (in percentage) = number of turnover of the category/total employees of the category at the end of the Reporting Period X 100%.

<sup>14</sup> Including employees of the Group and other workers.

## OVERVIEW OF KEY PERFORMANCE INDICATORS

		Hong Kong	2025 Wuxi	Paris	Total	2024 Total
<b>Number of employees trained<sup>15</sup></b>						
Gender	Male	55 (77%)	28 (70%)	17 (30%)	100 (60%)	163 (79%)
	Female	31 (47%)	56 (81%)	22 (61%)	109 (64%)	174 (72%)
Rank	Senior management	14 (74%)	1 (33%)	7 (41%)	22 (56%)	21 (54%)
	Middle management	37 (77%)	29 (88%)	9 (56%)	75 (77%)	60 (71%)
	General employees	35 (50%)	54 (74%)	23 (39%)	112 (55%)	256 (79%)
Total		86 (63%)	84 (77%)	39 (42%)	209 (62%)	337 (75%)
<b>Average training hours (hour)<sup>16</sup></b>						
Gender	Male	7.6	2.8	2.5	4.7	21.8
	Female	4.0	3.2	4.8	3.9	26.7
Rank	Senior management	8.2	1.3	3.0	5.4	6.8
	Middle management	6.9	3.5	5.1	5.5	23.1
	General employees	4.5	3.0	3.0	3.5	26.9
Total		5.9	3.1	3.4	4.3	24.4

<sup>15</sup> Employee trained rate (in percentage) = number of employee trained in the category/total employees of the category at the end of the Reporting Period X 100%.

<sup>16</sup> Average training hours = total hours of training received by employees of category/total employees of the category at the end of the Reporting Period.

## OVERVIEW OF KEY PERFORMANCE INDICATORS

Supply chain management		2025	2024
Region	Hong Kong	52	50
	Chinese Mainland	196	250
	Europe and North America	435	403
Total		683	703
Percentage of suppliers implementing the relevant practices	Select suppliers	73.4%	66.3%
	Identify and manage environmental risks of the supply chain	68.7%	60.5%
	Identify and manage social risks of the supply chain	66.5%	58.3%
Suppliers obtaining various system certifications	ISO 9000	3	3
	ISO 9001	41	22
	ISO 10002/14803	3	3
	ISO 14001	30	14
	ISO 14064	0	1
	ISO 20000	12	4
	ISO 22000	0	2
	ISO 26000	0	3
	ISO 27001	19	11
	ISO 27017/27018	12	1
	ISO 45001	16	3
	OHSAS 18001	18	6
	WEEE and RoHS requirements	13	5
	Energy label verification	5	5
Total		172	83
Product responsibility			
Percentage of products sold or shipped subject to recalls for safety and health reasons		0	0
Number of products and service related complaints		149	108
Anti-corruption			
Number of concluded corruption cases brought against the issuer or its employees		0	0



## CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Aspects, General Disclosures and KPIs	Description	Page/Remarks
<b>Mandatory Disclosure Requirements</b>		
Governance Structure	(i) a disclosure of the board’s oversight of ESG issues.	5,7
	(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).	5,7
	(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.	5,7
Reporting Principles	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.	4, 8-10
	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 disclosed.	4
	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.	4
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.	3
<b>A1 Emissions</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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	17-23, 36
A1.1	The types of emissions and respective emissions data.	19,41

## CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

<b>Aspects, General Disclosures and KPIs</b>		
<b>Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Page/Remarks</b>
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A1.4	Non-hazardous waste produced in total and intensity.	21, 42
A1.5	Description of emission target(s) set and steps taken to achieve them.	17-18
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	20-22
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	11, 17-18, 20-23
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	20, 42
A2.2	Water consumption in total and intensity.	23, 42
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	17-18, 20
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.	22-23
A2.5	Total packaging material used for finished products and with reference to per unit produced.	This issue is not related to the operation of the Group
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resource.	23
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	23

Aspects, General Disclosures and KPIs	Description	Page/Remarks
<b>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	24-27, 37
B1.1	Total workforce by gender, employment type, age group and geographical region.	27, 43
B1.2	Employee turnover rate by gender, age group and geographical region.	44
<b>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.	27-29, 37
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6, 29, 44
B2.2	Lost days due to work-related injuries.	29, 44
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	27-29
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	30-31
B3.1	The percentage of employees trained by gender and employee category.	30, 45
B3.2	The average training hours completed per employee by gender and employee category.	30, 45

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Aspects, General Disclosures and KPIs	Description	Page/Remarks
<b>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 or forced labour.	24, 26, 37
B4.1	Description of measures to review employment practices to avoid child and forced labour.	26
B4.2	Description of steps taken to eliminate such practices when discovered.	26
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	36, 39-40
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B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how such practices are implemented and monitored.	39-40
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how such practices are implemented and monitored.	39-40
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how such practices are implemented and monitored.	39-40
<b>B6 Product Responsibility</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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	31-34, 37

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<b>Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Page/Remarks</b>
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B6.2	Number of products and service related complaints received and how they are dealt with.	33, 46
B6.3	Description of practices relating to observing and protecting intellectual property rights.	34
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B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	33-34
<b>B7 Anti-corruption</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 bribery, extortion, fraud and money laundering.	36, 38
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.	36, 46
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	38
B7.3	Description of anti-corruption training provided to directors and staff.	38
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<sup>17</sup> At this stage, due to limitations in internal data availability, modelling capability, and resource allocation, the Group is not yet in a position to disclose quantified financial effects arising from climate-related risks and opportunities.

<sup>18</sup> The Group will complete scenario analysis to evaluate the resilience of its business model under different climate pathways and progressively develop and disclose a structured climate transition roadmap in the future, setting out current initiatives and planned actions in a phased manner.

<sup>19</sup> At this stage, the Group has not established specific policies or measures relating to climate-related capital deployment, internal carbon pricing mechanisms, remuneration policies linked to climate performance, or quantified climate-related targets.