2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Tomson Group

TOMSON GROUP LIMITED
湯臣集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 258

INTRODUCTION

Tomson Group Limited (the "Company"), established in the late 1980's, is a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 258). The Company and its subsidiaries (the "Group") are principally engaged in property development and investment, hospitality and leisure business, securities trading, as well as operation of and investment in media and entertainment business.

This is the tenth Environmental, Social and Governance Report ("this ESG Report") issued by the Company. The content of this ESG Report has been prepared in compliance with the requirements of the Environmental, Social and Governance Reporting Code, which was set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and applicable during the Reporting Period (as defined below).

REPORTING PERIOD AND SCOPE

This ESG Report reflects the Group's practices in sustainable development and social responsibility for the year from 1st January, 2025 to 31st December, 2025 (the "Reporting Period") and covers all principal activities of the Group.

Based on the principle of materiality for disclosure and reporting, the Company has decided that for the property development and investment business as well as the hospitality and leisure business, only the following key operating subsidiaries engaged in the relevant business activities are included in the scope of this ESG Report:

(A) Property development/ investment/ management
- (i) Grand View Property Management (Shanghai) Co., Ltd.
- (ii) MHK (Penha Hill) Limited
- (iii) Shanghai Cheng Qi Technology Limited
- (iv) Shanghai Tomson Real Estate Investment & Development Co., Ltd.
- (v) Tomson Group Garland (Shanghai) Housing & Estate Ltd.
- (vi) Tomson Haijing Garden (Shanghai Pudong New Area) Co., Ltd.
- (vii) Tomson International Trade Building (Shanghai) Co., Ltd.

(B) Golf course, club operation and property development
- (i) Tomson Golf (Shanghai) Limited

This ESG Report primarily covers the environmental, social and governance ("ESG") information and aspects related to the Group's operations in Shanghai, the Hong Kong Special Administrative Region ("Hong Kong") and the Macao Special Administrative Region ("Macau") of the People's Republic of China ("China").

ESG GOVERNANCE STRUCTURE

The Group acknowledges the need to have effective and strong governance of the ESG aspects in place. Good governance ensures accountability and a balance of authority by clearly defining the roles and responsibilities of different parties within the Group. The Board of Directors of the Company (the "Board") has the overall responsibility for formulating and overseeing the Group's ESG strategies, directions and reporting. A Board statement has been approved to guide the Group's policies to achieve a better ESG performance in different areas of works, such as the process used to set targets, evaluate, prioritise and manage material ESG-related risks to the Group's business.

An ESG working team (the "Working Team") has been set up by the Board in 2021 with specific written terms of reference in compliance with the requirements of the Listing Rules. The Working Team comprises an Executive Director of the Company and five management/staff from various departments of the Group's Hong Kong and Shanghai offices. The Board discusses and evaluates the Group's ESG risks and opportunities, performance, progress, goals and targets regularly with the assistance of the Working Team. The Working Team not only supports the Board in overseeing the ESG issues but also monitors and manages the Group's strategic goals in terms of sustainable development while mitigating potential risks and minimizing the negative impact on business operations of the Group. The Working Team periodically reports to the Board to assist it reviewing the key performance indicators ("KPIs") in respect of the Group's ESG-related issues and formulating strategies.

The Board has reviewed the ESG performance and reporting of the Group and considered that the allocation of resources and budget as well as the provision of training programmes were adequate. In addition, an external services provider with proper experience and qualifications was engaged in assistance of preparing this ESG Report.

In the future, the Board will regularly review the latest developments in the ESG matters to create long-term value for the Group and the community.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

In order to better understand the preferences of stakeholders, the Group periodically solicited their opinions on the priorities on the reporting items in the ESG reports of the Company by means of questionnaire survey. A stakeholder engagement exercise was performed during the period from October to December 2024 and more than 70 major stakeholders of the Group were successfully consulted. The stakeholders included suppliers, customers, tenants and different levels of employees of the Group. The questionnaires set out twelve aspects of the ESG scope, and the stakeholders were asked to rank three aspects that concerned them most in terms of priorities and provide their reasoning. The rankings were assigned with designated scores for calculating and

reflecting the pressing ESG issues regarding the Group those stakeholders were concerned. According to the survey results, "Employment" is the top priority, "Use of Resources" comes second, and "Health and Safety" comes third. The Group aims to continue improving these areas to satisfy the stakeholders' concerns. From the stakeholders' perspective, "Community Investment" ranks the lowest, as it may not have direct relevance to the business performance of the Group.

In addition to the stakeholders' concern, the sustainability-related risks and opportunities that are most likely affect the financial situation vary by industry. According to the Materiality Finder formulated by Sustainability Accounting Standards Board, the financially material ESG issues for the Group are "Energy Management", "Water & Wastewater Management", "Physical Impacts of Climate Change" and "Product Design & Lifecycle Management". For sustainability, the Company will pay more attention to these issues in the long run.

QUANTITATIVE ASSESSMENT

The Group's assessment standards, methodologies, calculation tools and source of conversion factors used are mainly based on a publication issued by Hong Kong Exchanges and Clearing Limited, namely "How to prepare an ESG Report". The environmental KPIs are calculated in accordance with Appendix 2 to the said publication, "Reporting Guidance on Environmental KPIs", while the social KPls are calculated in accordance with Appendix 3 to the said publication, "Reporting Guidance on Social KPIs".

CONSISTENCY ASSESSMENT

In this ESG Report, there is no material change to the methods or KPIs used or any other relevant factors affecting a meaningful comparison of this ESG Report with the Company's ESG report for 2024.

ENVIRONMENTAL PROTECTION

As an experienced real estate developer of high-end residential properties and high-grade commercial buildings in Shanghai of China, the Group recognizes that the long-term viability of its businesses is closely linked with the well-being of the society. The Group strives to minimize the potential impacts of its businesses on the environment and society in which it operates. One of the goals of the Group is to create living, working and retail communities that are harmoniously integrated and value-adding to the environment of the neighbourhoods. To attain the goals, the property management services provided in Tomson Riviera, Tomson Foresta and Tomson Commercial Building have adopted the standards of GB/T 24001-2016 / ISO 14001:2015 Environmental Management Systems and GB/T 19001-2016 / ISO 9001:2015 Quality Management

Systems which were assessed and certified by Origin Certification (Shanghai) Co., Ltd. in August 2025. In addition, the code on risk management and internal control of the Group has stipulated requirements for environmental protection in the operational control.

The Group has set its target to reduce 5% in terms of intensity per revenue on the non-hazardous wastes, the energy consumption and the water consumption over the five-year period from the year 2021. In addition, the Group has targeted to reduce 5% of the air emissions and greenhouse gas emissions over the five-year period from the year 2021. The Group-wide environmental protection measures will be implemented in all property projects and offices. The measures include not only increasing the reminders to the staff members to conserve the energy and water and to promote waste reduction and recycling concept but also increasing adoption of online meetings/visits instead of physical meetings/visits to reduce air emissions and greenhouse gas emissions generated from transportation.

A1. Emissions

The Group has complied with the Environmental Protection Law of the Chinese Mainland and other relevant laws and regulations in the cities in which the Group operates.

The Group is currently undertaking a large-scale residential project in Shanghai. The construction works are outsourced to general contractors which manage all operations in the sites. To mitigate the impact on the environment, the Group requires its contractors to exercise controls over the dust emission in building construction and the emission of waste gas generated from fuel combustion, in accordance with the Law on Prevention and Control of Atmospheric Pollution of the Chinese Mainland. The Group regularly checks on the performance of the contractors via site visits to ensure compliance. The Group has complied with local requirements to set up dust surveillance devices on its construction sites in Shanghai and upload data to the regulatory platform.

In addition, the Group provides 80 rechargeable battery-powered golf carts for use by the members in Tomson Shanghai Pudong Golf Club to minimize air pollution and noise generated from operating golf carts. The Group has started using hybrid electric vehicles in 2023, and there are 3 hybrid vehicles in operations.

The Group recognizes the carbon footprint arising from travels to business meetings. Video-conferencing and audio-conferencing facilities have been set up in the Group's offices to conduct most business meetings. Business travels are restricted, where possible, to where meetings in person are necessary and essential. Emails, phone calls and video conference are the preferred modes of communication.

The Group will comply with the Ecological and Environmental Code of the Chinese Mainland, which was enacted in March 2026 and is set to take effect in August 2026. The existing core pollution-control statutes in the Chinese Mainland (including the Environmental Protection Law and the Law on Prevention and Control of Atmospheric Pollution) have been incorporated and revised into the Code.

Air emissions

The air emissions were mainly from vehicles and gaseous fuel (town gas) consumption (approximately):

	Nitrogen oxides	Sulphur oxides	Particulate matter
2024	12.74 kg	0.32 kg	0.74 kg
2025	**12.09 kg**	**0.28 kg**	**0.67 kg**

The overall trend of air emissions was improving as compared with the situation in last few years. The petrol and gaseous fuel consumption was reduced in the Reporting Period, and the Group met its target to reduce 5% of the air emissions over the five-year period from the year 2021. The Group will continue to pay effort in reducing the use of energy by adopting various conservation measures.

Greenhouse gas emissions

Scope 1 direct emissions were mainly from vehicles and stationery combustion (approximately):

CO_2 equivalent emissions	Carbon dioxide	Methane	Nitrous oxide
2024	539,430 kg	256 kg	5,710 kg
2025	**542,107 kg**	**249 kg**	**5,329 kg**

Scope 1 direct emissions were stable without significant changes. The Group will make efforts to control fuel consumption by gradual change to the use of electric vehicles.

For Scope 2 energy indirect emissions, the CO_2 equivalent emissions mainly from purchased electricity were approximately 1,740,400 kg (2024: 1,641,862 kg), this slight increase was mainly attributed by the increased electricity consumption in the property project in Macau which has arranged to have lighting and air-conditioning of the unsold units on during business hours for customer visit and protection against moisture.

The total greenhouse gas emissions (Scope 1 and Scope 2) were approximately 2,288 tonnes (2024: 2,187 tonnes). Though there was a slight upward trend as compared with the situation in 2024, the Group met its target to reduce 5% of the greenhouse gas emissions over the five-year period from the year 2021. The Group does not report Scope 3 emissions because of lack of complete and accurate data.

Wastes

The Group disposes of solid wastes in accordance with the provisions of the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the Chinese Mainland and other relevant laws and regulations in the cities in which the Group operates. Earthwork and construction wastes generated from construction are collected in time and disposed of properly and legally.

Non-hazardous solid wastes from the operations amounted to 46.06 tonnes (2024: 1,043 tonnes) with the intensity of 0.02 tonne (2024: 2.69 tonnes) per revenue of HK$1 million during the Reporting Period, which were mainly the domestic and commercial wastes generated in the Group's offices in Hong Kong, Macau and Shanghai as well as the residential and commercial property projects and golf club operation in Shanghai (including construction wastes). The decrease in wastes in terms of both amount and intensity was attributed to the Group's environmental protection policy and significant increase in the revenue for the Reporting Period. The Group met its target to reduce 5% in terms of intensity per revenue on the non-hazardous wastes over the five-year period from the year 2021.

In addition, 0.64 tonne of hazardous wastes (2024: 0.64 tonne) was recorded, and it was properly handled by a licensed collector.

A2. Use of Resources

For its operations in Shanghai, the Group strictly abides by the Energy Conservation Law of the Chinese Mainland. Elsewhere, the Group adheres to the principles of recycling and reduction, and it implements green office practices where practical. The Group strives to increase awareness of its employees on energy saving and water saving, as well as encourages its employees to participate in the green office initiatives.

To reduce paper consumption, the Group encourages the use of digital documents and double-sided printing and copying. Recycling bins are provided in the offices to promote paper recycling and minimize paper wastes. Since the Group is mainly engaged in real estate industry and service industry, only 372 kg (2024: 322 kg) of plastic packaging materials were consumed in Tomson Shanghai Pudong Golf Club during the Reporting Period.

The Group has stringent planning and control management over the use of consumables and supplies for operations. Replacement is chosen where repair is not cost efficient or technically impractical. Consumables and supplies are budgeted annually, purchased monthly based on operating needs, and recorded for allocation and consumption. Inventories are kept to minimal levels, and logbooks are maintained and audited for purchase and control management. The Group shall put effort into enhancing the efficiency of using resources.

Energy consumption

Below is the direct and indirect energy consumption of the Group:

Energy type	Energy consumption (kWh)	
	2024	2025
Petrol	171,362	**158,475**
Diesel oil	1,837,540	**2,056,743**
Town gas	267,336	**211,906**
Electricity	2,808,661	**3,035,264**
Total	5,084,899	**5,462,388**
Intensity (kWh per revenue of HK$1 million)	13,114	**1,835**

The total energy consumption slightly increased in 2025, however, benefiting from the significant increase in the revenue recognized during the Reporting Period according to the accounting principles, there was a sharp drop in the intensity of energy consumption resulted. The Group met its target to reduce 5% in terms of intensity per revenue on energy consumption over the five-year period from the year 2021.

Electricity is a major resource, which the office operations consume every day, and represents the principal energy consumption of the Group in 2025.

Use of resources	Unit	2024 (approximately)	2025 (approximately)
Electricity	kWh	2,808,661	**3,035,264**
Electricity intensity	kWh per revenue of HK$1 million	7,244	**1,020**

The slight increase in electricity consumption in the Reporting Period was mainly attributable to the business operation of the property project in Macau while there was a drop in the electricity intensity owing to the significant increase in the recognized revenue of the Group. The Group promotes reduction in energy consumption by using various efficiency measures, which include switching off idle lightings and electrical appliances, as well as using programmed energy-saving modes to control electric and electronic devices (including but not limited to computers, printers, photocopiers and air-conditioners). The Group has fully adopted LED lighting or energy-saving lighting in its Shanghai head office and Macau office. In addition, LED lighting has been gradually applied in the Group's various projects in Shanghai, including Tomson Riviera, Tomson Commercial Building and the clubhouse of Tomson Shanghai Pudong Golf Club, in the range of 75% to 90% in their respective office or public areas. It is anticipated increasing use of LED lighting or other energy-saving alternatives in the Group's properties and offices when the time comes for lighting replacement.

Water consumption

Water is essential to all communities. The Group promotes water conservation to employees. Reminders of water-saving responsibilities and actions, in form of notices and signs, are posted near where the water resources are in the offices. Tomson Shanghai Pudong Golf Club has put in place standard procedures to ensure the efficient use of water based on operating needs and estimates. For instance, water from nearby rivers is used to irrigate the greenery of Tomson Shanghai Pudong Golf Club. In Tomson Riviera, there are daily cleaning of the falling leaves or plankton in the waterscape facilities as well as regular disinfection and sewage suction to make sure that the frequency of water change is minimized while keeping the water clean and clear. Moreover, water-efficient flushing systems are installed in the public washrooms in the commercial podium of Tomson Commercial Building.

Use of resources	**Unit**	**2024** (approximately)	**2025** (approximately)
Water	Cubic meter	50,376	**45,948**
Water intensity	Cubic meter per revenue of HK$1 million	130	**15**

Data on water consumption mainly came from the offices and projects in Shanghai as water consumed in Hong Kong office and the material time during the Reporting Period in Macau office was supplied by their respective landlords. There was a reduction in water consumption in terms of quantity and intensity during the Reporting Period and the overall trends of water usage kept improving. The Group met its target to reduce 5% in terms of intensity per revenue on water consumption over the five-year period from the year 2021.

A3. Managing Significant Impacts on the Environment and Natural Resources

The Group strictly abides by the Water Pollution Prevention and Control Law of the Chinese Mainland and other relevant laws and regulations in the cities in which the Group operates and adopts corresponding measures and preventive control on emission of wastewater.

The Group believes the daily operations of its businesses have no direct significant impact on the environment and natural resources. To maintain the green plantations within the Group's properties and golf course in a healthy condition, pesticides and fertilizers are selectively used. The Group understands the importance of minimizing the effects of these chemicals on the environment and water resources. Therefore, the Group has engaged qualified professionals to deal with the storage, usage, collection, recycling and disposal of pesticides and fertilizers, as well as their related packages, strictly in accordance with the relevant laws and regulations.

EMPLOYMENT AND LABOUR PRACTICES

B1. Employment

Employment is the stakeholders' top concerned aspect amongst the reporting items in the ESG reports of the Company. Employees are valuable assets that contribute to the success of the Group. The Group strictly follows the requirements of the Labour Law, the Labour Contract Law, the Social Insurance Law and the Regulation on Work-Related Injury Insurance of the Chinese Mainland, as well as the Employment Ordinance of Hong Kong and the relevant laws in Macau.

Recruitment, Compensation and Benefits

The Group emphasizes the importance of a highly efficient staff management and incentive structure. The Group recruits and promotes employees based on various factors, such as professional experience, educational background and capabilities. Remuneration and benefits packages are generally structured with reference to market terms and practice, as well as individual responsibilities, performance and qualifications. Discretionary bonus may be paid based on individual contribution.

The Company also participates in a pension scheme, which was registered under the Mandatory Provident Fund Schemes Ordinance of Hong Kong (the "MPF Ordinance"), for all its eligible employees in Hong Kong. The scheme is funded by contributions from employer and employees pursuant to the provisions of the MPF Ordinance. Employees of the Group in the Chinese Mainland are members of respective state-managed defined contribution retirement benefits schemes operated by the local governments. The employers and the employees are obliged to make contributions at a certain percentage of the payroll under rules of the schemes. In addition, the Group and its employees in Macau shall make contributions of a fixed amount per quarter to the Social Security Fund under the obligatory system in accordance with the laws of Macau.

Employees are eligible for stipulated annual leave, sick leave and other types of leave in accordance with national and local laws applicable in the cities where the Group operates.

Anti-Discrimination, Equal Opportunity and Diversity

The Group promotes a diverse workplace where people of different backgrounds are valued and respected. The Group does not discriminate based on race, colour, national or ethnic origin, gender, sexual orientation, religion, disability, age, cultural background, social group, marital status, family status or other factors.

The Group has complied with the applicable labour laws and regulations in all material aspects including, inter alia, dismissal and working hours.

Headcount and Turnover Rate

Except one acting as a part-time consultant in Hong Kong office after retirement, all employees of the Group were full-time during the Reporting Period and in 2024. The detailed structure of the employees of the Group's Hong Kong office and key operating subsidiaries in Shanghai and Macau as at 31st December, 2024 and 2025 is presented as below:

Gender	Number of employees		
	Male	Female	Total
2024	217	208	425
2025	**236**	**208**	**444**

Age Group	Number of employees		
	Under 30	30 - 50	Above 50
2024	31	239	155
2025	**28**	**257**	**159**

Geographical location	Number of employees		
	Hong Kong	Macau	Chinese Mainland
2024	22	1	402
2025	**22**	**1**	**421**

In 2025, the headcount increased, and the overall turnover rate improved while the turnover rate for the age group of above 50 slightly increased. The analysis of the employee turnover rate of the Group's Hong Kong office and key operating subsidiaries in Shanghai and Macau in 2024 and 2025 is set out below:

Gender	Number of employees left (%)		
	Male	Female	Total
2024	26 (11.98%)	32 (15.38%)	58 (13.65%)
2025	**23 (9.75%)**	**23 (11.06%)**	**46 (10.36%)**

Age group	Number of employees left (%)		
	Under 30	30 - 50	Above 50
2024	6 (19.35%)	31 (12.97%)	21 (13.55%)
2025	**5 (17.86%)**	**19 (7.39%)**	**22 (13.84%)**

Geographical location	Number of employees left (%)		
	Hong Kong	Macau	Chinese Mainland
2024	1 (4.55%)	0 (0%)	57 (14.18%)
2025	**0 (0%)**	**0 (0%)**	**46 (10.93%)**

B2. Health and Safety

The Group cares about its employees and their families, and therefore it strives to provide a safe and healthy working environment to them. One of the approaches is to create a strong culture of safety awareness by implementing high safety standards and providing appropriate training and education to the employees. Medical insurance is provided to the employees. Health check-ups are arranged annually for employees in various operations of the Group. Employees are reminded to observe a high standard of hygiene. Protective wears and kits are provided to employees according to the nature and requirements of the jobs. In summer, the Group also provides hardship allowance, beverages and cooling kits to its employees of Tomson Shanghai Pudong Golf Club and the property management staff of the Group's properties who carry out responsibilities or perform work outdoor under high temperature. The Group adopts international standards of occupational health and safety management system. For instance, the property management services in Tomson Riviera, Tomson Foresta and Tomson Commercial Building have complied with the standards of GB/T 45001-2020 / ISO 45001:2018 Occupational Health and Safety Management Systems which were assessed and certified by Origin Certification (Shanghai) Co., Ltd. in August 2025.

The Group strictly abides by the Work Safety Law of the Chinese Mainland and other relevant laws and regulations related to safety management in the cities where the Group operates.

For the properties held by the Group, property management companies are hired to manage the security operation and provide security personnel to safeguard the properties and the people therein. In addition, memoranda and notices are given to the employees of the Group regarding the protocols of office security during and after office hours and personal safety during emergency situations and extreme weather conditions.

During 2025, no severe injuries or fatalities of the Group's employees were reported. There were no work-related fatalities during the last three years. The number of the lost days due to work-

related injury during 2025 was 464 (2024: 149), representing a significant increase as compared with the corresponding period in 2024 which was mainly attributable to the fact that a staff of Tomson Shanghai Pudong Golf Club took sick leave for medical treatment for the whole year of 2025 after suffering a work-related injury at the end of 2024. The Group was not subject to any material claim or penalty in relation to health and work safety, and it has been following the relevant laws and regulations in all material aspects in Hong Kong, Macau and the Chinese Mainland.

B3. Development and Training

To ensure the professionalism of employees at all levels, employees of the Group are encouraged and sponsored to attend training and development courses relevant to their jobs and responsibilities. Despite lacking a formally publicized policy in this area, the Group has been providing educational or training allowance to employees up to the full costs of the courses approved by the management and attended by the employees. The Company will formalize the policy on this subject in due course.

Besides, the Group not only offers new employees on-the-job training by experienced personnel but also provides continuous training to employees periodically, according to the nature of the jobs and the requirements of the respective industries. Specialty training and preparation courses are also arranged to support employees in applying for or renewing professional qualifications, including certificates, licences, and permits, relevant to their jobs and industries. To maintain a quality management of the Group's properties, GB/T 19001-2016 / ISO 9001:2015 Quality Management Systems, GB/T 24001-2016 / ISO 14001:2015 Environmental Management Systems and GB/T 45001-2020 / ISO 45001:2018 Occupational Health and Safety Management Systems have been applied, and these systems were assessed and certified by Origin Certification (Shanghai) Co., Ltd. in August 2025. Training on the requirements and application of these systems has been provided to selected property managers of Tomson Riviera, Tomson Foresta and Tomson Commercial Building, and they successfully passed the required examinations.

More resources were put into development and training for raising the quality of the staff members of the Group, the average training hours increased in 2025. Apart from the part-time staff, all employees of the Group took part in training during the Reporting Period.

Regular in-house seminars are arranged for the Directors and senior executives of the Company annually and topics of these seminars may revolve around the roles, functions and responsibilities of the Board, its members and its committees, the board effectiveness, the Company's obligations and the Directors' duties under relevant laws and regulations, corporate governance and ESG matters, risk management and internal controls, as well as economic and business development in relation to the principal business of the Group to help them refresh and improve their knowledge and skills. Three webinars were held in 2025 with the aid of The Hong Kong Institute of Directors and their topics were related to AI transformation, impact of climate change on business environment and recent changes of ESG regulations.

The following tables show the training records of the employees of the Group's Hong Kong office and key operating subsidiaries in Shanghai and Macau in 2024 and 2025:

	2024	2025
Percentage of total employees who took part in training	99.76%	**99.77%**
Breakdown rate of male employees who took part in training	100%	**100%**
Breakdown rate of female employees who took part in training	99.52%	**99.52%**
Breakdown rate of management who took part in training	100%	**100%**
Breakdown rate of general staff who took part in training	99.73%	**99.74%**

	2024	2025
Average training hours completed per employee	3.08 hours	**4.41 hours**
Average training hours completed per male employee	3.79 hours	**5.00 hours**
Average training hours completed per female employee	2.34 hours	**3.75 hours**
Average training hours completed per management	4.16 hours	**3.09 hours**
Average training hours completed per general staff	2.93 hours	**4.61 hours**

B4. Labour Standards

The Group is well aware that child labour and forced labour violate fundamental human rights. The Group prohibits the use of child labour and validates the actual ages of job applicants in the recruitment process. Besides, the Group does not use unlawful or unfair means to restrict the employment relationship with the employees. Employees are free to quit their job upon giving reasonable notice as stipulated in their employment contracts.

The Group has followed relevant laws and regulations and has not found any cases or been assessed any fines or penalties regarding child labour and forced labour during 2025.

OPERATING PRACTICES

B5. Supply Chain Management

The Group has adopted green procurement policies in its general operation as well as property development and investment business. Internal guidelines are set up to prioritize the selection of environmentally preferrable products and services.

In the property development and investment business, the Group hires design companies, construction contractors and property management companies to design, build and manage its property projects. The Group primarily selects suppliers through tenders. For contractors, the tender process is developed in accordance with relevant laws and regulations, and the tender decision is made in a fair and equitable manner. In selecting contractors and equipment suppliers, the management takes into account various factors, such as (i) quality of services; (ii) contracting costs; (iii) safety management; (iv) industry qualifications/licenses; (v) environmental protection policies; and (vi) relevant track records and reputation. The Group requires its contractors to maintain a high standard of quality for the services provided, and to put in place adequate occupational health and safety and environmental protection procedures in accordance with the applicable laws and regulations and safety requirements imposed by the relevant government authorities in Macau and the Chinese Mainland.

The Group's Construction Works Department makes contracts with suppliers awarded with tenders. The department is also responsible for monitoring the performance of the contractors by conducting on-site inspections and supervision and assessments on the contractors periodically.

The principal base of the Group's operations is in the Chinese Mainland, so the majority (over 90%) of its suppliers are in the Chinese Mainland. They provide products and services to the Group for daily operations in property development, facilities management and running the golf club. The Group has tried the best to diversify its supply chain and identify appropriate alternative suppliers.

B6. Product Responsibility

The Group is an experienced real estate developer in the Chinese Mainland with well-established brand and reputation in the development of high-end residential properties and high-grade commercial buildings. The Group is proud of its portfolio of the completed projects and projects under development and believes that reliability and quality of its products and services are crucial to its success.

The Group is dedicated to delivering high-quality products and services to consistently meet the requirements of its customers. The Group and construction contractors enter into agreements, under which the contractors are obligated to carry out operational and quality assurance activities while ensuring regulatory compliance. In addition, the Group has established stringent quality control standards and followed testing and inspection procedures at the key stages of a property development project to ensure that construction and product quality are consistent with the designs and compliant with applicable laws and regulations. Contractors are required to rectify any defects or non-compliance incidents in a timely manner. Property checking and acceptance procedures are established to ensure properties are ready for delivery to the customers pursuant to the sales agreements.

To ensure its services quality, the property management services of Tomson Riviera, Tomson Foresta and Tomson Commercial Building have adopted GB/T 19001-2016 / ISO 9001:2015 Quality Management Systems, which were certified by Origin Certification (Shanghai) Co., Ltd. in August 2025.

The Group is committed to a responsible approach to advertising and marketing. It strictly follows the Advertising Law of the Chinese Mainland and other laws and regulations related to advertising products and services in the relevant jurisdictions. The Group's advertising and promotional materials must be reviewed by relevant professionals to ensure accuracy and avoid misrepresentation of information for the prospective customers.

The Group treats customer information confidential in accordance with the Law on Protection of Consumer Rights and Interests of the Chinese Mainland, as well as other laws and regulations related to consumer privacy in the cities where the Group operates.

Customers are important to the Group. The Group makes every effort to understand its customers' needs and enhance their satisfaction and experience with its products and services. The Group highly values any feedback from its customers on its business operations. Proper guidelines are set up to handle and resolve customer complaints in a timely manner.

The Group has complied with relevant laws and regulations and has not been assessed any fines or penalties which had a material and adverse impact on its business operations regarding product safety, advertising, labelling and privacy matters. No customer complaints or recall of the products of the Group due to safety and health reason were recorded during the Reporting Period.

B7. Anti-Bribery and Corruption

The Group is committed to ethical conduct in doing business. All forms of bribery, extortion, fraud and money laundering are prohibited. The Group abides by the Anti-Unfair Competition Law, the Interim Provisions on Banning Commercial Bribery and the Anti-Money Laundering Law of the Chinese Mainland and other relevant laws and regulations in the cities in which the Group operates and other laws and regulations that call for integrity and ethical conduct in operating a business.

The Group makes clear to its employees its expectations and guidelines in the normal course of business, as well as the applicable laws and regulations related to improper payment, frauds and money-laundering to ensure professional and ethical conduct of all staff. The Group has adopted an anti-corruption policy which has been approved by the Board and has taken effect from 1st January, 2022, pursuant to which the Company aims at setting out the basic standard of conduct expected of all directors and employees of all levels of the Group, and the Company's policy on acceptance of advantage and handling of conflict of interest when dealing with the Group's business. In 2025, the Group arranged training on anti-corruption for the Directors of the Company and the staff members in Hong Kong, Macau and Shanghai.

The Group has adopted a whistle-blowing policy, which was formulated and approved by the Board. The whistle-blowing policy details the protocols of reporting and handling improper or illegal behaviours within the Group that could be detrimental to the interests of shareholders, investors, customers and general public. It emphasizes protection of whistle-blower's identity and confidentiality of reported cases and the information involved, and it sets out the available channels and methods for reporting concerns, and the procedure of handling reported cases by the Group's designated personnel.

The Company Secretary of the Company has been designated to handle any complaint received under the whistle-blowing policy during the Reporting Period, and the Audit Committee of the Board (the "Audit Committee") is responsible for monitoring the implementation of the policy.

The Audit Committee meets regularly to review the effectiveness of internal controls and risk management of the Company. As far as the Company is aware, no corruption or bribery incidents and fraudulent practices, which have had or may result in a material adverse impact on the Group's financial performance or condition, have been brought to the Company's attention during the Reporting Period.

COMMUNITY RESPONSIBILITY

B8. Community Investment

It is the goal of the Group and its staff to act responsibly and contribute to the society with a vision of building strong, long-lasting relationships with different stakeholders in their communities. Although the Group has not formalized its continuing practice, it makes donations regularly to various international and local charitable organizations (e.g. World Vision, Médecins Sans Frontières, Orbis and Senior Citizen Home Safety Association).

The Company has not only joined the Corporate Partner Program of Orbis Hong Kong since 2017 but also been a consistent sponsor for the "Heart to Heart Project" organized by The Hong Kong Federation of Youth Groups since its launch in 2005. The "Heart to Heart Project" encourages youth volunteers to serve the community and to promote the concept of mutual help among neighbourhoods.


捐赠证书

Donation Certificate

尊敬的湯臣集团：

衷心感谢您对仁济医院发展的深切关注，对医院公益事业的无私支持！

您捐赠的壹佰万元将全部用于救治贫困肝移植患儿。

仁心汇聚 济困扶危！

特颁此证 谨致谢忱！

上海交通大学医学院附属仁济医院

2025年8月

仁術濟世

In 2025, the Group donated to Renji Hospital under School of Medicine of Shanghai Jiao Tong University for the treatment of poor liver transplant children.

In addition, the colleagues write regularly to the sponsored children under World Vision program to keep in touch with them.

In 2025, the Group made donation in the total amount of approximately HK$3.73 million (2024: HK$648,000).

CLIMATE-RELATED DISCLOSURES

1. Governance

1.1 Governance Body's Oversight of Climate-Related Risks and Opportunities

The Board has ultimate oversight responsibility for climate-related risks and opportunities. The Board reviews and approves the Group's climate strategy, monitors progress against climate-related targets, and ensures adequate resources are allocated to manage climate-related risks and capitalize on climate-related opportunities.

Board-level responsibilities include:

- Reviewing and approving the Group's climate transition plan and climate-related targets on an annual basis
- Monitoring the implementation of climate risk mitigation strategies and adaptation measures
- Overseeing climate-related disclosures and ensuring accuracy and completeness of reporting
- Integrating climate considerations into strategic planning, capital allocation, and major investment decisions
- Ensuring appropriate skills and competencies exist within the organization to address climate-related matters

The Board reviews quarterly at its regular meetings climate-related matters, including updates on physical and transition risks, progress on emission reduction initiatives, and emerging climate-related regulatory requirements across the operating jurisdictions of the Group.

1.2 Management's Role in Assessment and Management of Climate-Related Risks and Opportunities

The Group has established the Working Team, which is led by an Executive Director of the Company with five management/staff from various departments of the Group's Hong Kong and Shanghai offices. The Working Team reports directly to the Board.

Management responsibilities include:

- Conducting annual climate risk assessments across all business segments and geographic locations
- Developing and implementing climate risk mitigation and adaptation strategies
- Identifying and evaluating climate-related business opportunities
- Monitoring greenhouse gas emissions
- Setting operational targets aligned with the Group's climate commitments

- Engaging with stakeholders including investors, tenants, regulators, and local communities on climate matters
- Ensuring compliance with climate-related regulations in Hong Kong and the Chinese Mainland

1.3 Integration of Climate Governance into Overall Governance Structure

Climate governance is integrated into the Group's risk management framework. Climate-related risks are assessed using the same materiality criteria as other strategic, operational, and financial risks. The Company has enhanced the Working Team's competency on climate matters through provision of specialized training materials of external ESG consultants in 2025. The Company also arranged a webinar regarding the impact of climate change on business environment to enhance the understanding of the Board.

2. Strategy

2.1 Climate-Related Risks and Opportunities

The Group has identified the following material climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects of cash flows, access to finance or cost of capital over the short term (within 3 years), medium term (3 to 10 years) and long term (beyond 10 years).

2.1.1 Physical Risks

Acute Physical Risks:

Risk Type	Description	Time Horizon
Typhoons and extreme weather	Increased frequency and intensity of tropical storms affecting properties in Hong Kong, Macau and coastal area of Chinese Mainland, potentially causing structural damage, operational disruptions, and increased insurance costs	Short to Medium Term
Flooding and storm surge	Rising sea levels combined with extreme rainfall events threaten low-lying properties in Pudong of Shanghai, Macau and coastal Hong Kong locations	Medium to Long Term
Extreme heat events	Prolonged heatwaves increasing cooling demands, reducing golf course playability, and affecting tenant comfort in commercial properties	Short to Medium Term

Chronic Physical Risks:

Risk Type	Description	Time Horizon
Sea level rise	Gradual sea level rise threatens coastal properties and infrastructure, potentially reducing property values and increasing adaptation costs	Medium to Long Term
Water scarcity	Reduced water availability affecting golf course irrigation and property operations in water-stressed regions	Medium to Long Term
Temperature increase	Long-term temperature rise increasing building cooling requirements and reducing energy efficiency	Medium to Long Term

2.1.2 Transition Risks

Risk Type	Description	Time Horizon
Policy and regulatory risk	Implementation of carbon pricing mechanisms, building energy efficiency standards, and mandatory climate disclosures in Hong Kong and the Chinese Mainland and increasing compliance costs	Short to Medium Term
Technology risk	Need to invest in low-carbon building technologies, renewable energy systems, and energy-efficient retrofits to remain competitive	Short to Medium Term
Market risk	Shifting tenant and buyer preferences toward green buildings and sustainable developments, potentially reducing demand for non-certified properties	Short to Medium Term
Reputation risk	Stakeholder concerns regarding climate performance and disclosure quality affecting investor confidence and access to capital	Short to Medium Term
Financing risk	Banks and financial institutions incorporating climate criteria into lending decisions, potentially increasing cost of capital for carbon-intensive assets	Short to Medium Term

2.1.3 Climate-Related Opportunities

Opportunity Type	Description	Time Horizon
Resource efficiency	Implementing energy efficiency measures and renewable energy systems, for reducing operating costs and enhancing property competitiveness	Short to Medium Term
Products and services	Developing green-certified sustainable buildings commanding premium rents and sales prices	Short to Medium Term
Markets	Growing demand for climate-resilient properties among institutional investors and environmentally conscious tenants	Short to Medium Term
Resilience	Investing in climate adaptation measures enhancing asset value and reducing long-term risks	Medium to Long Term
Reputation	Leadership in climate disclosure and sustainability performance enhancing brand value and stakeholder trust	Short Term

2.2 Current and Anticipated Effects on Business Model and Value Chain

2.2.1 Property Development Segment

Concentration of climate impacts:

The Group's property development business, primarily concentrated in Shanghai, faces material exposure to both physical risks (typhoons, flooding, sea level rise) and transition risks (building codes, green building standards, buyer preferences).

Value chain impacts:

- **Design and planning:** Integration of climate resilience considerations into project design, including flood protection measures, enhanced structural standards for extreme weather, and passive cooling features
- **Construction:** Specification of low-carbon materials, engagement with contractors on emission reduction, and implementation of waste reduction practices
- **Sales and marketing:** Growing emphasis on green building certifications and climate resilience features as market differentiators

Anticipated effects:

In medium to long term, the Group expects new developments to achieve green building certification. This transition requires additional capital investment but is expected to generate premium pricing and enhanced absorption rates.

2.2.2 Property Investment Segment

Concentration of climate impacts:

The Group's investment property portfolio, including residential, commercial and offices properties in Shanghai and Hong Kong, faces increasing exposure to regulatory requirements for building energy performance and tenant demand for sustainable workspace.

Value chain impacts:

- **Building operations:** Implementation of energy management systems, LED lighting retrofits, heating, ventilation and air conditioning ("HVAC") optimization, and renewable energy integration
- **Tenant engagement:** Collaboration with tenants on emission reduction initiatives and provision of green lease options
- **Asset management:** Integration of climate risk assessments into property valuations and capital improvement planning

Anticipated effects:

Climate-related retrofits across the Group's property portfolio are projected to reduce energy consumption, generating operational cost savings annually while maintaining tenant competitiveness.

2.2.3 Leisure Segment (Golf Operations)

Concentration of climate impacts:

Golf course operations are highly sensitive to water availability, extreme heat, and severe weather events. The Group's golf facilities face medium-term risks from water scarcity and long-term risks from changing precipitation patterns.

Value chain impacts:

- **Course maintenance:** Adoption of drought-resistant turf varieties, precision irrigation systems, and water recycling technologies
- **Operations:** Installation of weather monitoring systems and development of heat stress protocols for player and staff safety
- **Member experience:** Communication of sustainability initiatives enhancing member engagement and corporate social responsibility profile

Anticipated effects:

Water efficiency initiatives are expected to reduce irrigation water consumption while maintaining course quality standards, reducing operating costs and enhancing climate resilience.

2.3 Climate Strategy and Transition Plan

The Group consider that there is no significant change in its business model and will consider a transition plan, which will be reviewed annually with progress reported transparently.

2.3.1 Strategic Objectives

1. **Emission Reduction:** Set reduction targets in Scopes 1 and 2 greenhouse gas emissions intensity
2. **Renewable Energy:** Adopt renewable energy through on-site solar installations
3. **Climate Resilience:** Complete climate risk assessments for the properties and implement priority adaptation measures
4. **Value Chain Engagement:** Engage major suppliers and contractors on emission disclosure and reduction

2.3.2 Key Assumptions and Dependencies

The transition plan is based on the following key assumptions:

- Continued availability and declining costs of renewable energy technologies in Hong Kong and the Chinese Mainland
- Progressive strengthening of building energy codes and carbon pricing mechanisms in operating jurisdictions
- Availability of green financing instruments at competitive rates to support low-carbon investments
- Technological advancement in building decarbonization solutions (including heat pumps, energy storage, smart building systems)
- Stakeholder support including tenant cooperation on emission reduction initiatives
- Stable regulatory environment enabling long-term planning and investment

Critical dependencies:

- Government policies supporting renewable energy deployment
- Development of carbon markets in Hong Kong and the Chinese Mainland providing clear price signals
- Availability of skilled contractors and certified green building professionals
- Financial market recognition of climate performance in property valuations and credit assessments

2.3.3 Transition Plan Implementation

Short-term actions:

- Complete energy audits across investment property portfolio
- Implement LED lighting retrofits and building management system upgrades
- Establish green building design standards for all new developments

Medium-term actions:

- Complete HVAC system optimization and electrification across property portfolio
- Implement climate adaptation measures including flood protection and cooling system upgrades
- Integrate climate risk metrics into property investment and divestment decisions

Long-term pathway:

- Progressive decarbonization toward net-zero emissions
- Exploration of carbon removal technologies and nature-based solutions

3. Risk Management

3.1 Processes for Identifying and Assessing Climate-Related Risks

The Group employs a systematic approach to identify and assess climate-related risks integrated within the Group's risk management framework.

3.1.1 Identification Process

1. **Asset-level assessments:** Regular physical risk screening of all properties and analyzing exposure to floods, typhoons, heat stress, and sea level rise under multiple climate scenarios
2. **Regulatory horizon scanning:** Continuous monitoring of climate policy developments in Hong Kong and the Chinese Mainland, and international best practices to anticipate transition risks
3. **Stakeholder consultation:** Engagement with investors, tenants, insurers, and sustainability experts to identify material climate concerns and expectations
4. **Industry benchmarking:** Analysis of climate risks disclosed by real estate sector peers to ensure comprehensive risk coverage

3.1.2 Assessment Methodology

Climate-related risks are assessed based on:

- **Likelihood:** Probability of risk occurrence over short term (within 3 years), medium term (3 to 10 years) and long term (beyond 10 years) based on climate projections and scenario assumptions
- **Impact magnitude:** Potential financial impact assessed across five categories: Very Low, Low, Medium, High, Very High
- **Velocity:** Speed of risk onset determining response urgency (such as sudden onset for acute physical risks vs. gradual for chronic risks)
- **Adaptability:** Organization's capacity to respond and mitigate risk through available control measures

Risks are prioritized under management's judgement at the Working Team.

3.1.3 Tools and Data Sources

- Climate modeling at AI platforms providing property-specific physical risk projections
- Insurance industry climate risk assessments
- Scientific literature on climate change impacts in East Asia

3.2 Processes for Managing Climate-Related Risks

The Group employs a hierarchy of risk response strategies:

Risk mitigation:

- Implementation of adaptation measures (flood barriers, enhanced drainage, structural reinforcement) to reduce physical risk exposure
- Energy efficiency investments and renewable energy deployment to reduce exposure to energy cost volatility
- Green building certifications to mitigate market and reputation risks
- Climate-related contractual provisions with contractors and suppliers to transfer specific risks

Risk transfer:

- Exploration of parametric insurance products for specific climate hazards
- Exploration of property and business interruption insurance covering climate-related physical damage

Risk acceptance:

- Certain low-probability, low-impact risks accepted with monitoring protocols
- Residual risks post-mitigation accepted with contingency planning or financial reserve

Risk avoidance:

- Exclusion of high-risk locations (such as extreme coastal exposure, flood zones without protection) from new development site selection
- Strategic divestment of assets with disproportionate climate risk relative to adaptation costs

Monitoring and review:

- Regular risk register updates reflecting changing risk profiles
- Regular reassessment of risk materiality incorporating latest climate science
- Post-event reviews following significant weather events to enhance response capabilities

3.3 Processes for Identifying and Assessing Climate-Related Opportunities

The Group has established parallel processes for systematic identification and assessment of climate-related opportunities:

Opportunity identification:

- Market research analyzing preferences of tenants and buyers for sustainable buildings
- Technology scouting to identify emerging solutions (such as battery storage, smart building systems, low-carbon materials)
- Green finance market monitoring to optimize capital structure

Opportunity assessment:

Opportunities are evaluated using standard investment appraisal criteria:

- Financial return potential (such as payback period, internal rate of return, net present value)
- Strategic alignment with transition plan objectives
- Feasibility of implementation and resource requirements
- Competitive advantage and market differentiation potential
- Scalability across property portfolio

3.4 Integration into Overall Risk Management Process

Climate risk management is fully integrated into the Group's risk management framework rather than operating as a standalone process. The Board will review with the assistance of the Working Team the climate-related risks alongside financial, operational, strategic, and compliance risks using consistent governance processes.

Integration mechanisms:

- Climate risks incorporated into the Group's risk identification process
- Uniform risk assessment methodology applied across all risk categories
- Climate risk owners (department heads) assigned from relevant business functions with accountability for risk responses
- Key risk indicators of climate-related risk are regularly reported to and monitored by senior management
- Internal audit program includes periodic review of the effectiveness of climate risk management

4. Metrics and Targets

4.1 Cross-Industry Metrics and Climate-Related Targets

Please refer to the sub-sections of A1. Emissions and A2. Use of Resources in the above section headed "Environmental Protection" in this ESG Report for details.

4.2 Internal Carbon Prices

The Group does not intend to establish a policy of internal carbon pricing system.

4.3 Remuneration

The Group does not intend to establish a policy of climate-related remuneration system.

5. Application of the Implementation Reliefs

The Group is currently in the foundational stage of its sustainability journey. While the Group is committed to enhancing its environmental transparency, it currently faces limitations regarding the specialized technical capabilities and data infrastructure required for certain advanced disclosures.

Capabilities and Financial Effects Reliefs are applied in this ESG Report. Due to current constraints in internal resources and the high degree of uncertainty in quantifying specific financial impacts, the Group has omitted the disclosure of current and anticipated quantitative financial effects of climate-related risks and opportunities, and related capital deployment in this ESG Report. The amount and percentage of assets or business activities vulnerable to climate-related transition risks and physical risks and that aligned with climate-related opportunities were also not disclosed.

Reasonable Information Relief is also applied in this ESG Report. Given the unavailability of high-quality primary data and the significant challenges in estimation, the Group has not included anticipated financial effects, climate-related scenario analysis, Scope 3 greenhouse gas emissions and calculation of cross-industry metrics in relation to climate-related transition risks, physical risks and opportunities in this ESG Report. These omissions are based on the Group's assessment that such information cannot be obtained without undue cost or effort at this stage.

Looking forward, leveraging the experience of the management, the reasonable judgement of the Board and the ongoing refinement of the Group's internal monitoring systems, the Group is actively working to bridge these data gaps. The Group is committed to a process of continuous improvement and intends to progressively enhance its climate-related disclosures through iterative learning and the systematic strengthening of its sustainability framework.