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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 227)

2024 FINAL RESULTS ANNOUNCEMENT

RESULTS

The Board of Directors (the “Board”) of First Shanghai Investments Limited (the “Company”) submits herewith the consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31st December 2024 as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	390,386	312,875
Cost of sales		(170,506)	(105,441)
Gross profit		219,880	207,434
Other gains/(losses) – net	4	58,616	(555)
Selling, general and administrative expenses		(252,541)	(269,180)
Operating profit/(loss)	5	25,955	(62,301)
Finance income		88,533	104,741
Finance costs		(28,258)	(36,472)
Finance income – net		60,275	68,269
Profit before taxation		86,230	5,968
Taxation	6	(8,016)	(15,837)
Profit/(loss) for the year		78,214	(9,869)
Attributable to:			
Shareholders of the Company		77,974	(10,629)
Non-controlling interests		240	760
		78,214	(9,869)
Earnings/(losses) per share for profit/(loss) attributable to shareholders of the Company during the year			
– Basic	7	HK3.56 cents	HK(0.65) cents
– Diluted	7	HK3.56 cents	HK(0.65) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) for the year	78,214	(9,869)
Other comprehensive income/(loss)		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss</i>		
– Exchange reserve realised upon disposal of subsidiaries	(20,598)	–
– Currency translation differences	(33,825)	6,685
<i>Items that will not be reclassified to profit or loss</i>		
– Fair value gain/(loss) on financial assets at fair value through other comprehensive income	98,177	(12,390)
– Currency translation differences	(1,493)	1,690
Other comprehensive income/(loss) for the year, net of tax	42,261	(4,015)
Total comprehensive income/(loss) for the year	120,475	(13,884)
Attributable to:		
Shareholders of the Company	121,728	(16,334)
Non-controlling interests	(1,253)	2,450
	120,475	(13,884)

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Intangible assets		1,726	1,726
Property, plant and equipment		404,590	443,176
Right-of-use assets		13,038	29,128
Investment properties		577,806	601,279
Leasehold land and land use rights		32,853	34,617
Properties under development		130,833	133,695
Deferred tax assets		223	175
Financial assets at fair value through other comprehensive income		126,391	28,214
Other non-current prepayments and deposits		1,922	4,552
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Total non-current assets		1,289,382	1,276,562
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Current assets			
Inventories		344,623	369,320
Loans and advances		1,082,226	938,662
Trade receivables	9	253,993	257,937
Other receivables, prepayments and deposits		45,710	50,586
Tax recoverable		7,348	7,574
Financial assets at fair value through profit or loss		8,198	7,934
Deposits with banks		5,640	1,112
Client trust bank balances		1,726,732	2,355,177
Cash and bank balances		284,650	340,622
		<hr/>	<hr/>
Assets classified as held for sale		3,759,120	4,328,924
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Total current assets		3,759,120	4,340,220
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	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	10	2,264,679	2,853,093
Tax payable		41,353	40,876
Lease liabilities		8,018	13,278
Borrowings		77,278	135,656
		2,391,328	3,042,903
Liabilities classified as held for sale		–	8,512
Total current liabilities		2,391,328	3,051,415
Net current assets		1,367,792	1,288,805
Total assets less current liabilities		2,657,174	2,565,367
Non-current liabilities			
Deferred tax liabilities		65,201	67,997
Lease liabilities		5,138	16,487
Borrowings		30,009	48,321
Other non-current liabilities		798	876
Total non-current liabilities		101,146	133,681
Net assets		2,556,028	2,431,686
Equity			
Share capital		1,265,591	1,265,591
Reserves		1,222,294	1,100,566
Capital and reserves attributable to the Company's shareholders		2,487,885	2,366,157
Non-controlling interests		68,143	65,529
Total equity		2,556,028	2,431,686

1. GENERAL INFORMATION

First Shanghai Investments Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operations, direct investment, investment holding and management.

The Company is a limited liability company incorporated in Hong Kong and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Room 1903, Wing On House, 71 Des Voeux Road Central, Hong Kong.

The financial information relating to the years ended 31st December 2024 and 2023 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the consolidated financial statements for the year ended 31st December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the consolidated financial statements for the year ended 31st December 2024 in due course.
- The Company’s auditor has reported on these consolidated financial statements for both years. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except that a leasehold land and building in Hong Kong is stated at revalued amount less subsequent accumulated depreciation and accumulated impairment losses (if any), and as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVPL”), which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

New and amended standards adopted by the Group

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and amended HKFRSs which are first effective for the current accounting year of the Group. Of these, the following developments are relevant to the Group’s consolidated financial statements:

- Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to HKAS 1, *Non-current Liabilities with Covenants*
- Amendments to HKFRS 16, *Lease Liability in a Sale and Leaseback*
- Hong Kong Interpretation 5 (Revised), *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*
- Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*

The adoption of these new and amendments to HKFRSs have no material effect on the results and financial positions of the Group for the current and prior accounting periods. Accordingly, no prior period adjustments are required.

The Group has not early applied the new standards and amendments that have been issued by the HKICPA but are not yet effective. The Group has already commenced an assessment of the impact of these new standards and new amendments but is not yet in a position to determine whether these new standards and amendments would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. Management determines the operating segments based on the Group’s internal reports, which are then submitted to the Board for performance assessment and resources allocation.

The Board identifies the following reportable operating segments by business perspective:

- Financial services
- Property development
- Property investment and hotel
- Other businesses

The Board assesses the performance of the operating segments based on a measure of segment results. Segment assets consist primarily of intangible assets, property, plant and equipment, right-of-use assets, investment properties, leasehold land and land use rights, inventories, financial assets and operating cash. The Group operates primarily in Hong Kong, the PRC and France. In presenting information of geographical segments, segment revenue is based on the geographical destination of delivery of goods and services.

(a) **Operating segments**

	Financial services 2024 HK\$'000	Property development 2024 HK\$'000	Property investment and hotel 2024 HK\$'000	Other businesses 2024 HK\$'000	2024 HK\$'000
Income statement					
Revenue	168,567	67,624	151,380	2,815	390,386
Segment results	30,898	(12,210)	(16,954)	66,208	67,942
Unallocated net operating expenses					(41,987)
Operating profit					25,955
Finance income – net					60,275
Profit before taxation					86,230
Balance sheet					
Segment assets	3,264,355	533,038	1,048,578	175,338	5,021,309
Tax recoverable					7,348
Deferred tax assets					223
Corporate assets					19,622
Total assets					5,048,502
Other information					
Depreciation and amortisation	8,895	340	25,783	3,321	38,339

Note: There were no sales among the operating segments.

	Financial services 2023 HK\$'000	Property development 2023 HK\$'000	Property investment and hotel 2023 HK\$'000	Other businesses 2023 HK\$'000	2023 HK\$'000
Income statement					
Revenue	156,780	13,862	134,897	7,336	312,875
Segment results	9,154	(18,069)	(10,269)	(722)	(19,906)
Unallocated net operating expenses					(42,395)
Operating loss					(62,301)
Finance income – net					68,269
Profit before taxation					5,968
Balance sheet					
Segment assets	3,844,103	575,041	1,118,967	40,267	5,578,378
Tax recoverable					7,574
Deferred tax assets					175
Assets classified as held for sale					11,296
Corporate assets					19,359
Total assets					5,616,782
Other information					
Depreciation and amortisation	9,325	404	27,510	4,725	41,964
Impairment of property, plant and equipment	–	–	22,916	–	22,916

Note: There were no sales among the operating segments.

(b) Geographical segments

	Hong Kong 2024 HK\$'000	PRC 2024 HK\$'000	France 2024 HK\$'000	2024 HK\$'000
Revenue	<u>170,471</u>	<u>153,817</u>	<u>66,098</u>	<u>390,386</u>
Non-current assets*	<u>84,079</u>	<u>834,318</u>	<u>244,371</u>	<u>1,162,768</u>
	Hong Kong 2023 HK\$'000	PRC 2023 HK\$'000	France 2023 HK\$'000	2023 HK\$'000
Revenue	<u>160,115</u>	<u>109,024</u>	<u>43,736</u>	<u>312,875</u>
Non-current assets*	<u>98,344</u>	<u>873,253</u>	<u>276,576</u>	<u>1,248,173</u>

* Non-current assets exclude FVOCI and deferred tax assets.

4. OTHER GAINS/(LOSSES) – NET

	2024 HK\$'000	2023 HK\$'000
(Loss)/gain on disposal of investment properties	(9)	5
Net gain on disposal of subsidiaries	65,104	–
Net gain/(loss) on disposal of property, plant and equipment	42	(373)
Impairment of intangible assets	–	(400)
Impairment of property, plant and equipment	–	(22,916)
Fair value (losses)/gains on investment properties	(4,149)	20,687
Net foreign exchange (loss)/gain	<u>(2,372)</u>	<u>2,442</u>
	<u>58,616</u>	<u>(555)</u>

5. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting) the following:

	2024	2023
	HK\$'000	HK\$'000
Depreciation	36,824	40,432
Amortisation of leasehold land and land use rights	1,515	1,532
Cost of properties sold	60,442	9,667
Net (reversal of)/losses on impairment of financial assets	(10,956)	4,456
Stockbroking commission and related expenses	22,297	19,633
Staff costs	207,665	203,051
Charges related to litigation	4,593	5,025
Auditors' remuneration		
Audit and audit related work		
– the Company's auditor	2,028	2,305
– other auditors	1,020	907
Non-audit services – the Company's auditor	659	593

6. TAXATION

The amount of taxation charged/(credited) to the consolidated income statement represents:

	2024	2023
	HK\$'000	HK\$'000
Hong Kong profits tax		
Current	4,522	3,953
Over provision in previous years	(59)	(59)
Overseas taxation		
Current	1,040	1,173
Over provision in previous years	(3)	(61)
Land appreciation tax		
Current	3,057	3,035
Deferred taxation	(541)	7,796
Taxation charge	8,016	15,837

7. EARNINGS/(LOSSES) PER SHARE

The calculation of basic and diluted earnings/(losses) per share is based on the Group's profit attributable to shareholders of approximately HK\$77,974,000 (2023: loss attributable to shareholders of approximately HK\$10,629,000). The basic earnings/(losses) per share is based on the weighted average number of 2,190,679,905 (2023: 1,643,652,986) shares in issue during the year.

Diluted earnings/(losses) per share is the same as the basic earnings/(losses) per share as there were no dilutive potential ordinary shares in issue during the year.

8. DIVIDENDS

The Board does not recommend the payment of a final dividend (2023: HK\$Nil) for the year ended 31st December 2024.

9. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Due from stockbrokers and clearing houses	156,763	184,730
Due from stockbroking clients	93,129	64,429
Trade receivables – others	5,200	9,261
	<u>255,092</u>	<u>258,420</u>
Loss allowance	(1,099)	(483)
	<u>253,993</u>	<u>257,937</u>

All trade receivables are either repayable within one year or on demand. The fair value of the trade receivables is approximately the same as the carrying value.

The settlement terms of receivables attributable to the securities trading and stockbroking business are two days after the trade date, and those of receivables attributable to the futures broking business are one day after the trade date. For the remaining business of the Group, trade receivables are on general credit terms of 30 to 90 days.

The ageing analysis of the trade receivables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	253,337	255,655
31 – 60 days	250	491
61 – 90 days	133	310
Over 90 days	273	1,481
	<u>253,993</u>	<u>257,937</u>

10. TRADE AND OTHER PAYABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Due to stockbrokers and dealers	45,008	42,631
Due to stockbroking clients and clearing houses	1,873,279	2,422,342
Trade payables	163,743	137,294
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Total trade payables	2,082,030	2,602,267
Contract liabilities	13,717	83,886
Accruals and other payables	168,932	166,940
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	2,264,679	2,853,093
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The majority of the trade and other payables are either repayable within one year or on demand except where certain trade payables to stockbroking clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand. The fair values of the trade and other payables are approximately the same as the carrying values.

Trade and other payables to stockbroking clients also include those payables placed in trust and segregated accounts with authorised institutions of HK\$1,726,732,000 (2023: HK\$2,355,177,000).

Trade and other payables are non-interest bearing except for the amount due to stockbroking clients placed in trust and segregated accounts with authorised institutions which bear interest at the rate with reference to the bank deposit savings rate.

No ageing analysis is disclosed for amounts due to stockbrokers, dealers, stockbroking clients and clearing houses as in the opinion of directors, it does not give additional value in view of the nature of these businesses.

The ageing analysis of the trade payables based on invoice date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	9,220	12,089
31 – 60 days	1,801	2,489
61 – 90 days	1,414	1,465
Over 90 days	151,308	121,251
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	163,743	137,294
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MARKET OVERVIEW

Global economy in 2024 were shaped by mixed economic growth and geopolitical uncertainties. The United States remained a key driver of global growth, supported by robust household consumption and government spending, while Europe saw a mild recovery. Inflation eased in advanced economies, allowing central banks to cut interest rates. On the other side, emerging markets, particularly those in Asia, benefited from resilient local demand and monetary policy easing. However, geopolitical risks, including the wars in Ukraine and Middle East, weighed on investor sentiment. Trade tensions and supply chain disruptions also posed challenges, with the threat of additional tariffs imposed by the United States create uncertainty. Despite these headwinds, global financial markets demonstrated resilience, with equity markets in the United States and Asia posting strong gains in the latter half of the year.

In 2024, the Chinese economy experienced moderate growth, driven by domestic consumption and government stimulus measures. Challenges include ongoing trade tensions, property market instability, and demographic shifts leading to a shrinking workforce. The Central Government aims to boost innovation and green technology investments while managing inflation. Additionally, the shift towards a consumption-driven economy may lead to increased imports and reduced reliance on exports. Overall, the Chinese economic landscape in 2024 reflected a balance between recovery efforts and structural reforms to ensure long-term sustainability.

The Hong Kong stock market experienced a rollercoaster year in 2024, marked by significant volatility but ultimately ending on a positive note. The year began with subdued investor sentiment, as high interest rates and geopolitical uncertainties weighed heavily on the market. Trading volumes shrank to record lows, with single-day turnover falling below HK\$80 billion, reflecting a lack of confidence among investors. However, a turning point came in September 2024 when the U.S. Federal Reserve announced an interest rate cut which Hong Kong banks quickly followed. This move signaled the end of a prolonged high-interest-rate cycle, injecting optimism into the market. The economic stimulus measures announced by the Central Government in September 2024 had much improved the market sentiment. Overall, 2024 was a year of resilience for the Hong Kong stock market, with improved trading volumes and investor sentiment in the latter half. However, the market's heavy reliance on Chinese Mainland's economic policies and global geopolitical developments continues to pose risks for sustained growth.

BUSINESS OVERVIEW

The Group adheres to its strategic business model and dedicates its efforts and resources to continue to develop the financial services business and the property and hotel businesses. For the year ended 31st December 2024, the Group recorded a net profit and basic earnings per share attributable to shareholders of approximately HK\$78 million and HK3.56 cents respectively, compared with a net loss and basic losses per share attributable to shareholders of approximately HK\$11 million and HK0.65 cents respectively recorded in 2023.

In 2024, the Group remained exposed to the challenges of volatile financial market and investment apprehension due to slowdown in economic growth in Chinese Mainland and global geopolitical developments. The Hang Seng Index (HSI) surged past the 18,300 points, and trading volumes began to recover in the second half of the year. The market received another boost from the economic stimulus measures imposed by the Central Government, aimed at revitalizing the capital market and improving liquidity. These measures, coupled with improved domestic demand expectations, propelled the HSI to a high of 23,000 points in October, with single day turnover hitting a historic record of over HK\$620 billion. Despite the strong recovery in the second half of the year, the market faced challenges in sustaining momentum. The close correlation with the Chinese stock market led to a pullback. The Hong Kong IPO market, however, remained a bright spot, with Hong Kong ranking fourth globally in fundraising size, though representing a slight decrease of 3% on amount from 2023. The Financial Services Sector, benefited from the significant increase in market turnover in the fourth quarter of the year, reported increases in both brokerage commission income and margin loan interest income.

During 2024, the property market of Chinese Mainland remained under significant pressure, with both residential and commercial sectors struggling to recover. Excess inventory and weak buyer confidence led to declining prices across major cities. Benefited from the government stimulus measures introduced in the final quarter, including easing real estate regulations and lowering interest rates, transaction levels remained subdued, despite that the residential market showed some signs of stabilization in certain cities. On the other hand, the commercial property sector was still facing great challenges, with weak demand and financing constraints exacerbating the downturn. There was decline in revenue from property sales in Wuxi project and the recognition of valuation losses on investment properties in 2024. These impacts were partially offset by (a) the increased sales of property in Huangshan following the completion of construction work of phase C of the project, and (b) the resumption of full year operation of the hotel in Paris after a half year business suspension for an urgent repair construction in 2023.

FINANCIAL REVIEW

Overview

For the year ended 31st December 2024, the Group achieved a net profit attributable to shareholders of approximately HK\$78 million, representing a turnaround from a net loss attributable to shareholders of approximately HK\$11 million recorded in 2023. The turnaround in 2024 was primarily driven by (i) the recognition of gain on disposal of equity interests in subsidiaries, (ii) the increase in property sales reported from Huangshan project upon the completion of construction work, and (iii) the increase in operating revenue from Paris hotel which had been temporary closed for an urgent rooftop repair in the first half of 2023. During the second half of 2024, the interest rate cuts by the US Federal Reserve and the favorable monetary and fiscal measures announced by the Central Government had boosted investor sentiment, creating positive

momentum in Hong Kong stock market. Consequently, our Financial Services Sector experienced a growth in both brokerage commission income and margin loan interest income compared to 2023. The basic earnings per share attributable to shareholders was HK3.56 cents (2023: basic losses per share: HK0.65 cents). Revenue of the Group totaled approximately HK\$390 million, reflecting an increase of 25% as compared to 2023, contributed by the improvements in financial services business and property and hotel business. The total net assets of the Group increased by 5% from approximately HK\$2,432 million in 2023 to approximately HK\$2,556 million in 2024.

Financial Services

The Group's Financial Services Sector offers a full range of financial services, including securities investment, securities brokerage, margin financing, corporate finance, underwriting and placements, asset management and wealth management. In 2024, operating profit from our Financial Services Sector increased by approximately threefold compared with 2023, contributed by the growth in brokerage commission income and margin loan interest income.

The financial market in Hong Kong experienced a dynamic year throughout 2024. The year began with subdued investor sentiment, and trading volumes shrunk to record lows in the first half of the year. The Hang Seng Index reached its peak of 23,000 in October 2024 and closed at 20,000 at the year end, reflecting an 18% increase compared to 2023. The interest rate easing and introduction of China's economic stimulus had enhanced risk sentiment, and Hong Kong's IPO market experienced a significant recovery in the second half of 2024. Consequently, our brokerage business reported an increase in brokerage commission income and margin loan interest income by 9% and 7% respectively, compared to 2023. Meanwhile, our corporate finance team continued to focus on IPO and financial advisory transactions. During the reporting period, intense competition led to a 12% decline in the income derived from advisory services compared to 2023.

Property and Hotel

The Group's Property and Hotel Sector primarily includes property development, property investment, property management, hotel and golf operation. The Group focuses on managing a diverse portfolio of existing property projects, including residential properties, service apartments, commercial office, industrial office, hotel and recreation resort. In 2024, the property market in China remained under significant pressure. The stimulus measures and supportive policies imposed by the Central Government have played a crucial role in boosting buyers' demand. Despite of the favorable governmental policies, the overall investment climate still remained cautious, with investors weighing risks associated with market volatility and government policies. The operating loss from Property and Hotel Sector amounted to HK\$29 million in 2024 (2023: loss of HK\$28 million). There was decline in revenue from property sales in Wuxi project and the recognition of valuation losses on investment properties in 2024. These impacts were partially offset by the increase in sales of property in Huangshan project and operating revenue from Paris hotel, alongside the absence of impairment provision made for the property, plant and equipment in the current year.

During 2024, revenue from sale of properties increased by approximately four times compared to 2023. The growth was mainly derived from Huangshan project upon the completion of construction work in early 2024, mitigated by the drop in properties sales in Wuxi project under the weak market sentiment. In the coming year, we will continue to focus on completion of the existing development projects and the sales of properties in Wuxi and Huangshan.

Our property investment and management business is one of the generators of steady income to the Group. Its cash revenue maintained at similar level as with last year. In 2024, investment properties held by the Group reported a net fair value loss of approximately HK\$4 million, compared with a net fair value gain of approximately HK\$21 million reported in 2023.

Revenue from hotel and golf operation in 2024 rose by 17% compared to 2023, primarily due to the temporarily closure of the Paris hotel in the first half of 2023 for an urgent rooftop repair.

Other Businesses

The Group's Other Businesses Sector includes several direct investment projects. The operating gain from Other Businesses Sector was HK\$66 million in 2024 compared to the operating loss of HK\$1 million from 2023. The significant growth was mainly attributable to the recognition of profit on disposal of subsidiaries in 2024.

There was no new direct investment project in 2024 as the Group has focused its resources in developing the financial services business.

PROSPECTS

The outlook for the Hong Kong stock market in 2025 is cautiously optimistic, with potential for growth driven by supportive monetary policies and the economic recovery in Chinese Mainland. The global financial market in 2025 is expected to face a mix of opportunities and challenges. While inflation is likely to continue easing, geopolitical risks and trade tensions remain key uncertainties. The United States is expected to remain a major driver of global growth, but the trajectory of its economic and trade policies will be critical. Emerging markets, particularly in Asia, are poised to benefit from resilient local demand and demographic advantages. The easing of interest rates globally is expected to improve liquidity and investor sentiment. The IPO market is likely to remain robust, with Hong Kong continuing to attract listings from both domestic and international companies. However, risks persist including ongoing geopolitical tensions and the market's heavy reliance on Chinese Mainland's economic policies. The Sino-US relations and potential trade frictions could also adversely affect market performance. Overall, while the Hong Kong stock market is poised for growth in 2025, its trajectory will depend on global macroeconomic conditions and the effectiveness of policy measures in Chinese Mainland.

Chinese Mainland's property market is expected to remain under pressure, with a recovery contingent on further government support and broader economic stabilization. While stimulus measures introduced in 2024 have provided some relief, excess inventory and weak buyer confidence continue to weigh on the market. The residential sector may see gradual improvement, particularly in tier-1 cities, as affordability improves with lower interest rates and prices. However, the commercial property sector is likely to face ongoing challenges, with weak demand and financing constraints persisting. Privately-owned enterprises will remain vulnerable to liquidity issues. A sustained recovery will depend on the government's ability to implement effective fiscal and monetary measures to stimulate demand and restore confidence. While the outlook remains uncertain, we expect the property market could stabilize in the latter half of 2025 if supportive policies are maintained.

MATERIAL ACQUISITION AND DISPOSAL

On 26th April 2024, the Group had completed the disposal of the entire equity interest and shareholder's loan in Shanghai Zhong Chuang International Container Storage & Transportation Company Limited, an indirect non-wholly owned subsidiary, to an independent third party, at a cash consideration of approximately RMB38 million and approximately RMB6 million respectively. The Group recorded a gain on disposal of equity interest of approximately HK\$65 million for the year ended 31st December 2024. Details of the disposal transaction were set out in the announcements of the Company dated 29th June 2023, 25th August 2023 and 29th April 2024.

Save as disclosed above, during the year, the Group had no material acquisitions, disposals and significant investments.

DIVIDEND

The Board does not recommend the payment of a final dividend (2023: HK\$Nil) for the year ended 31st December 2024.

ANNUAL GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held on Friday, 23rd May 2025. For details of the AGM, please refer to the notice of annual general meeting which will be published on the Company's website and website of Hong Kong Exchanges and Clearing Limited and will be despatched to all shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 20th May 2025 to Friday, 23rd May 2025, both days inclusive, during which period no transfer of shares will be effected for determining the shareholders who are entitled to attend and vote at the AGM. In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 19th May 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries purchased or sold any of its securities listed on The Stock Exchange of Hong Kong Limited during the year ended 31st December 2024.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions as set out in the code provisions and recommended best practices as stipulated in Appendix C1 (the "CG Code") of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31st December 2024, except for the deviation from code provision C.2.1 of the CG Code.

The Chairman and chief executive officer of the Company is Mr. LO Yuen Yat. This deviates from code provision C.2.1 of the CG Code which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board believes that vesting the role of both positions in Mr. Lo provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. The Board also considers that this structure will not impair the balance of power and authority between the Board and the management of the business of the Group given that there is a strong and independent non-executive element on the Board. The Board believes that the structure outlined above is beneficial to the Company and its business.

The Audit Committee has reviewed the consolidated financial statements for the year ended 31st December 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31st December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE'S WEBSITE

This announcement of final results is published on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under "Listed Company Information" and the Company at <http://www.firstshanghai.com.hk> under "Investor Relations – Corporate Announcement – Results Announcements". The 2024 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under "Listed Company Information" and the Company at <http://www.firstshanghai.com.hk> under "Investor Relations – Interim and Annual Report" in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises four executive directors, being Mr. LO Yuen Yat, Mr. XIN Shulin, Mr. YEUNG Wai Kin and Ms. LAO Yuanyuan, one non-executive director, Mr. KWOK Lam Kwong, Larry, *S.B.S., J.P.* and four independent non-executive directors, being Mr. LIU Ji, Mr. YU Qihao, Mr. ZHOU Xiaohe and Mr. LI Zhiyun.

By order of the Board
First Shanghai Investments Limited
LO Yuen Yat
Chairman

Hong Kong, 28th March 2025