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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 227)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2025

RESULTS

The Board of Directors (the “Board”) of First Shanghai Investments Limited (the “Company”) submits herewith the unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30th June 2025 together with the comparative figures for the corresponding period last year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30th June	
	<i>Note</i>	2025	2024
		HK\$'000	HK\$'000
Revenue	4	191,595	208,743
Cost of sales		(84,143)	(103,588)
Gross profit		107,452	105,155
Other (losses)/gains – net	5	(509)	53,719
Selling, general and administrative expenses		(134,548)	(124,389)
Operating (loss)/profit	4 and 6	(27,605)	34,485
Finance income		38,864	48,688
Finance costs		(5,462)	(16,904)
Finance income – net		33,402	31,784
Profit before taxation		5,797	66,269
Taxation	7	(2,123)	(161)
Profit for the period		3,674	66,108
Attributable to:			
Shareholders of the Company		3,344	66,261
Non-controlling interests		330	(153)
		3,674	66,108
Earnings per share for profit attributable to shareholders of the Company			
– Basic	8	HK0.15 cents	HK3.02 cents
– Diluted	8	HK0.15 cents	HK3.02 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	<u>3,674</u>	<u>66,108</u>
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	–	(20,589)
– Currency translation differences	45,024	(14,218)
<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	8,331	(2,717)
– Currency translation differences	<u>923</u>	<u>(490)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>54,278</u>	<u>(38,014)</u>
Total comprehensive income for the period	<u>57,952</u>	<u>28,094</u>
Attributable to:		
Shareholders of the Company	56,699	28,737
Non-controlling interests	<u>1,253</u>	<u>(643)</u>
	<u>57,952</u>	<u>28,094</u>

CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
	Note		
Non-current assets			
Intangible assets		1,726	1,726
Property, plant and equipment		432,931	404,590
Right-of-use assets		14,659	13,038
Investment properties		581,090	577,806
Leasehold land and land use rights		32,249	32,853
Properties under development		132,595	130,833
Deferred tax assets		147	223
Financial assets at fair value through other comprehensive income		–	126,391
Other non-current prepayments and deposits		1,651	1,922
Total non-current assets		1,197,048	1,289,382
Current assets			
Inventories		333,771	344,623
Loans and advances		977,361	1,082,226
Trade receivables	10	197,576	253,993
Other receivables, prepayments and deposits		55,528	45,710
Tax recoverable		7,434	7,348
Financial assets at fair value through profit or loss		140,807	8,198
Deposits with banks		49,500	5,640
Client trust bank balances		2,421,359	1,726,732
Cash and bank balances		423,950	284,650
Total current assets		4,607,286	3,759,120
Current liabilities			
Trade and other payables	11	2,972,668	2,264,679
Tax payable		43,953	41,353
Lease liabilities		8,746	8,018
Borrowings		77,510	77,278
Total current liabilities		3,102,877	2,391,328
Net current assets		1,504,409	1,367,792
Total assets less current liabilities		2,701,457	2,657,174

	Unaudited 30th June 2025 <i>Note</i> <i>HK\$'000</i>	Audited 31st December 2024 <i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	65,141	65,201
Lease liabilities	5,970	5,138
Borrowings	15,748	30,009
Other non-current liabilities	930	798
	<hr/>	<hr/>
Total non-current liabilities	87,789	101,146
	<hr/>	<hr/>
Net assets	2,613,668	2,556,028
	<hr/>	<hr/>
Equity		
Share capital	1,265,591	1,265,591
Reserves	1,278,993	1,222,294
	<hr/>	<hr/>
Capital and reserves attributable to the Company's shareholders	2,544,584	2,487,885
Non-controlling interests	69,084	68,143
	<hr/>	<hr/>
Total equity	2,613,668	2,556,028
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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.

This unaudited condensed consolidated financial information is presented in Hong Kong dollars, unless otherwise stated.

The financial information relating to the year ended 31st December 2024 that is included in the condensed consolidated financial information for the six months ended 30th June 2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year 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 2024 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).
- The Company’s auditor has reported on those consolidated financial statements. 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).

This unaudited condensed consolidated financial information was approved for issue by the Board on 22nd August 2025.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the six months ended 30th June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. This unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“HKFRS”).

3. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2024, as described in those annual financial statements.

- (a) In the current interim period, the amendment to HKFRS issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1st January 2025. The adoption of the amendment to HKFRS has 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.

- (b) Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

4. 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 unaudited segment results of the Group for the six months ended 30th June 2025 are as follows:

	Unaudited				
	Financial services <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and hotel <i>HK\$'000</i>	Other businesses <i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u>110,132</u>	<u>11,700</u>	<u>69,763</u>	<u>–</u>	<u>191,595</u>
Segment results	<u>21,152</u>	<u>(12,758)</u>	<u>(14,054)</u>	<u>(2,322)</u>	<u>(7,982)</u>
Unallocated net operating expenses					<u>(19,623)</u>
Operating loss					<u>(27,605)</u>
Finance income – net					<u>33,402</u>
Profit before taxation					<u><u>5,797</u></u>

Note: There were no sales or other transactions among the operating segments.

The unaudited segment results of the Group for the six months ended 30th June 2024 are as follows:

	Unaudited				
	Financial services <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property investment and hotel <i>HK\$'000</i>	Other businesses <i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u>78,650</u>	<u>54,940</u>	<u>72,344</u>	<u>2,809</u>	<u>208,743</u>
Segment results	<u>9,568</u>	<u>(4,725)</u>	<u>(19,846)</u>	<u>67,668</u>	<u>52,665</u>
Unallocated net operating expenses					<u>(18,180)</u>
Operating profit					<u>34,485</u>
Finance income – net					<u>31,784</u>
Profit before taxation					<u><u>66,269</u></u>

Note: There were no sales or other transactions among the operating segments.

The unaudited segment assets of the Group as at 30th June 2025 are as follows:

	Unaudited				HK\$'000
	Financial services HK\$'000	Property development HK\$'000	Property investment and hotel HK\$'000	Other businesses HK\$'000	
Segment assets	3,999,869	519,201	1,076,389	132,349	5,727,808
Tax recoverable					7,434
Deferred tax assets					147
Corporate assets					68,945
Total assets					<u>5,804,334</u>

The audited segment assets of the Group as at 31st December 2024 are as follows:

	Audited				HK\$'000
	Financial services HK\$'000	Property development HK\$'000	Property investment and hotel HK\$'000	Other businesses HK\$'000	
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					<u>5,048,502</u>

5. OTHER (LOSSES)/GAINS – NET

	Unaudited	
	Six months ended 30th June 2025 HK\$'000	2024 HK\$'000
Gain on disposal of subsidiaries	–	65,946
Loss on disposal of investment properties	(3)	(7)
Fair value losses on investment properties	(2,989)	(11,353)
Fair value losses on financial assets at fair value through profit or loss	(2,156)	–
Net gain on disposal of property, plant and equipment	18	82
Net foreign exchange gain/(loss)	4,621	(949)
	<u>(509)</u>	<u>53,719</u>

6. OPERATING (LOSS)/PROFIT

The following items have been charged/(credited) to the operating (loss)/profit during the interim period:

	Unaudited	
	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
Depreciation	17,637	19,303
Amortisation of leasehold land and land use rights	740	755
Net losses/(reversal of) on impairment of financial assets	888	(347)
Provision for impairment of properties held for sale	2,957	–
Staff costs	109,904	97,427

7. TAXATION

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

	Unaudited	
	Six months ended 30th June	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong profits tax		
– Current	2,342	1,806
Overseas profits tax		
– Current	418	458
– Under provision in previous years	1	–
Land appreciation tax	883	2,926
Deferred taxation	(1,521)	(5,029)
Taxation charge	2,123	161

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to shareholders of approximately HK\$3,344,000 (2024: HK\$66,261,000). The basic earnings per share is based on the weighted average number of 2,190,679,905 (2024: 2,190,679,905) shares in issue during the period.

For the six months ended 30th June 2025 and 2024, diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in issue during the period.

9. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2025 (2024: HK\$Nil).

10. TRADE RECEIVABLES

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Due from stockbrokers and clearing houses	74,206	156,763
Due from stockbroking clients	119,386	93,129
Trade receivables – others	5,060	5,200
	<u>198,652</u>	<u>255,092</u>
Loss allowance	(1,076)	(1,099)
	<u>197,576</u>	<u>253,993</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.

At 30th June 2025 and 31st December 2024, the ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
0 – 30 days	196,507	253,337
31 – 60 days	379	250
61 – 90 days	319	133
Over 90 days	371	273
	<u>197,576</u>	<u>253,993</u>

11. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Due to stockbrokers and dealers	36,484	45,008
Due to stockbroking clients and clearing houses	2,593,274	1,873,279
Trade payables	<u>158,957</u>	<u>163,743</u>
 Total trade payables	 2,788,715	 2,082,030
Contract liabilities	19,495	13,717
Accruals and other payables	<u>164,458</u>	<u>168,932</u>
	<u><u>2,972,668</u></u>	<u><u>2,264,679</u></u>

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\$2,421,359,000 (31st December 2024: HK\$1,726,732,000).

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.

At 30th June 2025 and 31st December 2024, the ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
0 – 30 days	8,210	9,220
31 – 60 days	1,296	1,801
61 – 90 days	811	1,414
Over 90 days	<u>148,640</u>	<u>151,308</u>
	<u><u>158,957</u></u>	<u><u>163,743</u></u>

MARKET OVERVIEW

The global economy in the first half of 2025 exhibited mixed growth amidst persistent geopolitical uncertainties and economic challenges. Market sentiment was affected by worries over the impact of new tariffs unveiled by the U.S on the global economy. Moreover, persistent geopolitical tensions in Ukraine and the Middle East raised concerns about the stability of global trade and investment flows. In Europe, economic growth remained tepid, with only a mild recovery observed. However, major European markets posted significant gains due to accommodative monetary policy amid easing inflationary pressure. Despite these challenges, some emerging markets, especially in Asia, are benefited from resilient local demand and easing monetary policies and delivered satisfactory performance. Overall, financial markets demonstrated some resilience, with stock indices in the U.S. and Asia recovering during the reporting period. However, the general outlook remains uncertain as potential risks linger.

In the first half of 2025, the Chinese economy recorded moderate growth driven by domestic consumption and government stimulus measures aimed at stabilizing economic activity. The Central Government focused on fostering innovation and green technology while grappling with ongoing challenges, including trade tensions and instability in the property market. Although exports rebounded in the second quarter of 2025, demographic issues, such as a shrinking workforce, pose long-term challenges. The government's fiscal policies and accommodative monetary measures were designed to support domestic demand. Yet, uncertainties about external pressures continue to loom. The transition toward a consumption-driven economy may enhance imports but could also lead to greater vulnerability to global economic fluctuations.

In Hong Kong, domestic consumption continued to decline due to shifting consumer habits, despite an overall expansion in investment expenditure and increasing number of tourists. The employment market remained tight, indicating relative stability despite fluctuations in certain sectors. The stock market experienced notable volatility, rebounding upon the temporary suspension of the U.S. new tariff measures and growing hopes for trade deals. The property market remained subdued, with sale prices of commercial and retail properties continuing to drop. While the Hong Kong economy showed some signs of resilience, ongoing external and internal challenges suggest a cautious outlook. Continued policy support and adaptive strategies are necessary to guarantee the further development of economic growth.

BUSINESS OVERVIEW

The Group adheres to its strategic business model and dedicates its efforts and resources to accelerating growth in its core businesses, primarily the Financial Services Sector and the Property and Hotel Sector.

The financial markets faced a diverse range of challenges and undergone a very volatile period during the first half of 2025. Trade tensions, recession risks, and ongoing trade and geopolitical conflicts influenced investor sentiment. Major financial markets experienced selloffs following the new tariff measures imposed by the U.S. government in April but rebounded later upon the temporary suspension of these measures and growing hopes for trade deals. High interest rates and concerns about corporate earnings in both Chinese Mainland and Hong Kong companies exacerbated the situation until May when interest rate generally declined. In June, geopolitical tensions in the Middle East had caused heightened anxiety on markets, but concerns eased following an earlier-than-expected ceasefire between Israel, the U.S. and Iran. The Hong Kong stock market outperformed most major markets. During the first half of 2025, the Hang Seng Index gained 20% and average daily market turnover surged 118% to \$240 billion. The Financial Services Sector, benefited from the significant increase in market turnover, reported increase in brokerage commission income. On the other hand, decline in margin loan interest income was recorded due to ongoing high interest rate and keen competition. The situation has been slightly improved until May when general interest rate reduced.

In the first half of 2025, the property and hotel sectors faced ongoing challenges, with excess inventory and weak buyer confidence causing declining prices in major cities. Despite government stimulus measures, such as easing regulations and lowering interest rates, transaction activity remained subdued. Meanwhile, some markets showed signs of stabilization. The Group recognized some sales in Huangshan; however, profit margins continued to decline. Additionally, fair value losses on certain property projects highlighted the persistent difficulties in the market environment. Overall, the sectors remain impacted by market softness and ongoing economic uncertainties.

For the six months ended 30th June 2025, the Group reported a net profit and basic earnings per share attributable to shareholders of approximately HK\$3 million and HK0.15 cents respectively, as compared to a net profit and basic earnings per share attributable to shareholders of approximately HK\$66 million and HK3.02 cents respectively reported from the corresponding period of 2024.

FINANCIAL REVIEW

For the six months ended 30th June 2025, the Group experienced a 95% decline in net profit and basic earnings per share attributable to shareholders, from approximately HK\$66 million and HK3.02 cents respectively in 2024, to HK\$3 million and HK0.15 cents respectively in 2025. The reduction in the Group's net profit and basic earnings per share in the first half of 2025 was mainly attributable to: (i) absence of gains from the disposals of equity interest in subsidiaries in 2025, in which significant gain of approximately HK\$66 million were recognised in the corresponding period of 2024; (ii) decrease in revenue on sales of properties in Huangshan project during the period as a significant portion was recognised upon the construction completed in 2024; (iii) the valuation loss on investment properties and the provision for impairment of certain properties held for sale during the period; and (iv) decline in margin loan interest income due to ongoing high interest rate and keen competition. Nevertheless, the reduction in profit was partially offset by the growth in brokerage commission income, driven by a combination of improved market sentiment due to robust capital market activity and favorable policy stimulus from Chinese Mainland. Revenue of the Group was approximately HK\$192 million, representing a decrease of 8% over the corresponding period of 2024, mainly attributable to the decrease in revenue from sales of properties in Huangshan and margin loan interest income. The drop was partially offset by the increase in brokerage commission income. Total net assets of the Group reported an increase by 2% to approximately HK\$2,614 million compared with approximately HK\$2,556 million as at 31st December 2024.

Financial Services

The Group's Financial Services Sector provides a full range of financial services including securities investment, securities brokerage, margin financing, corporate finance, underwriting and placements, asset management and wealth management. For the six months ended 30th June 2025, the Financial Services Sector recorded an operating profit of HK\$21 million, representing an approximately twofold increase compared to the corresponding period in 2024. This was primarily driven by the increase in brokerage commission income, despite partially offset by a decline in margin loan interest income.

During the first half of 2025, the Hong Kong stock market was significantly volatile, driven by a combination of external pressures such as the uncertainties surrounding U.S. tariff proposal and trade policies, and internal dynamics including a surge in IPO activities and favorable economic stimulus from Chinese Mainland that boosted the investor sentiment. The performance of the Hang Seng Index was volatile throughout the period, fluctuating between a low of 18,874 and a high of 24,771, and closed at 24,072 as at period end. In the first half of 2025, our business reported a significant growth in brokerage commission income by twofold, positively impacted by (i) the increase of approximately 118% in average daily market turnover, and (ii) the increase in IPO-driven trading in Hong Kong stock market compare to corresponding period in 2024. Nevertheless, the impact was partially offset by the decrease in margin loan interest income by 25%, tracking the ongoing high interest rate and keen competition, compared to the corresponding period in 2024.

Our corporate finance team continued to focus on IPO and financial advisory transactions during the reporting period. For the six months ended 30th June 2025, driven by the intensified competitive pressures, income derived from advisory services was decreased by 24% as compared to the corresponding period in 2024.

Property and Hotel

The Group's Property and Hotel Sector primarily involves property development, property investment, property management, hotel and golf operations. The Group has developed a diverse portfolio of property projects including residential, service apartment, commercial office, industrial office and hotels in China, together with a recreation resort in Paris. For the six months ended 30th June 2025, an operating loss of HK\$27 million was recorded from the Property and Hotel Sector, which was increased by 10% compared to the corresponding period in 2024. This was primarily due to the decrease in revenue from property sales in Huangshan project, the recognition of fair value losses on investment properties and provision for impairment loss of certain properties held for sale recorded during the reporting period due to the uncertain property market outlook in Chinese Mainland.

For the six months ended 30th June 2025, operating revenue from property development operations decreased by 78% compared to the corresponding period in 2024, mainly due to the recognition of a significant portion of property sales in Huangshan project following the completion of construction work in early 2024. Operating revenue from property investment and management operations dropped by 8% as compared to the corresponding period in 2024. This is explained by the general reduction in rental income in Wuxi and the downward pressures on rental rates and challenges encountered in lease renewal. Also, as a result of reducing housing demand and dampening investor sentiment in Chinese Mainland property market, provision for impairment of HK\$3 million on our certain properties held for sale and a fair value loss of HK\$3 million on certain investment properties was recorded during the reporting period.

For the six months ended 30th June 2025, revenue from hotel and golf operations dropped by 2% as compared to the corresponding period in 2024, primarily due to poor consumption sentiment, which slightly impacted to our room and food and beverage revenue and thus the operating result.

Other Businesses

The Group's Other Businesses Sector includes several direct investments. For the reporting period, the Sector recorded an operating loss of HK\$2 million, a significant decline from an operating profit of HK\$68 million for the corresponding period in 2024. The difference was primarily attributable to the recognition of a total gain of approximately HK\$66 million arising from the disposal of subsidiaries in 2024. Focusing our internal resources on the financial services business, there was no new direct investment launched in 2025.

PROSPECTS

Looking ahead, the financial market is expected to remain highly volatile due to multiple factors, including easing of domestic real estate policies and the U.S. Federal Reserve interest rate policy, as well as escalating trade protectionism and geopolitical tensions. Core inflation, a tightening labor market and shifts in consumer behavior will continue to influence economic activities, particularly within manufacturing and service sectors in Chinese Mainland. This turbulence will impact the pace and trajectory of economic recovery. In response, we will develop risk mitigation strategies to navigate this dynamic environment, maintaining a cautious yet proactive stance on risk and credit management.

The outlook for the Hong Kong stock market in the second half of 2025 is cautiously optimistic, supported by accommodative monetary policies and China's economic recovery. While inflation is expected to ease, geopolitical risks and trade tensions will continue to pose significant uncertainties. The route map of interest rate cuts by the U.S. Federal Reserve will be a key factor influencing international capital flow and financial markets. Emerging Asian markets are positioned to benefit from resilient demand and demographic advantages. Easing global interest rates should improve liquidity and investor sentiment, bolstering the IPO market, which is likely to remain active with both domestic and international listings. While the ongoing digital transformation accelerated with AI tools is expected to persist, the Group will continue its strategy to actively drive digitalization and automation in our financial services to enhance customer experience and operational efficiency. We aim to expand our product offerings and customer base, aligning with market demands and leveraging market insights to seize opportunities swiftly amid rapid changes.

In China, the property market faces continued pressure, with recovery contingent on further government support and broader economic stabilization. The stimulus measures have alleviated some issues, but excess inventory and weak buyer confidence persist. The residential sector may gradually improve, while the commercial property sector faces ongoing challenges due to weak demand and financing constraints. The recovery of private enterprises remains vulnerable to liquidity issues, and sustained growth will depend on effective fiscal and monetary policies. Overall, if supportive measures continue, the property market should be stabilized in the long term.

It is undeniable that the global economy will continue to face its challenges due to the uncertain business environment and continuous geopolitical tensions. We will stay vigilant of the uncertainties on the road to recovery ahead with disciplined cost control and prudent risk management measures. The Group will also endeavor to diversify its strategies so as to grasp all valuable business opportunities for the Group to advance its business model and to grow in the coming years.

MATERIAL ACQUISITION AND DISPOSAL

During the period, the Group had no material acquisitions, disposals and significant investments.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2025 (2024: HK\$Nil).

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 period.

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 Listing Rules throughout the period, 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.

Nomination Committee

The Nomination Committee was established on 1st March 2012. The Nomination Committee comprises two independent non-executive directors, Mr. YU Qihao and Mr. ZHOU Xiaohe and an executive director, Mr. LO Yuen Yat. The Nomination Committee was set up to assist the Board to review the structure, size, composition and diversity of the Board, identify individuals and make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors and assess the independence of independent non-executive directors.

Remuneration Committee

The Remuneration Committee was established on 30th June 2005. The Remuneration Committee comprises two independent non-executive directors, Mr. YU Qihao and Mr. ZHOU Xiaohe and an executive director, Mr. LO Yuen Yat. The Remuneration Committee was set up to assist the Board to establish a coherent remuneration policy and to review and approve the remuneration packages of the directors and senior management including the terms of salary and bonus schemes and other long term incentive schemes.

Audit Committee

The Audit Committee was established on 27th December 1998. The Audit Committee comprises the non-executive director, Mr. KWOK Lam Kwong, Larry, *S.B.S., J.P.* and the four independent non-executive directors, Mr. LIU Ji, Mr. YU Qihao, Mr. ZHOU Xiaohe and Mr. LI Zhiyun. The Audit Committee was set up to ensure proper financial reporting, risk management and internal control systems are in place and follow.

The Audit Committee has reviewed with the Management the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters, including a review of the unaudited consolidated interim results for the six months ended 30th June 2025 for approval by the Board.

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 six months ended 30th June 2025.

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

This announcement of interim 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 2025 Interim 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, 22nd August 2025