

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



## FIRST SHANGHAI INVESTMENTS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 227)**

### 2025 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 2025 as follows:

#### CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Revenue	3	<b>407,603</b>	390,386
Cost of sales		<b>(173,448)</b>	(170,506)
Gross profit		<b>234,155</b>	219,880
General and administrative expenses		<b>(280,013)</b>	(252,541)
Impairment of property, plant and equipment and right-of-use assets		<b>(52,101)</b>	–
Other (losses)/gains – net	4	<b>(44,575)</b>	58,616
Operating (loss)/profit	5	<b>(142,534)</b>	25,955
Finance income		<b>67,828</b>	88,533
Finance costs		<b>(12,464)</b>	(28,258)
Finance income – net		<b>55,364</b>	60,275
(Loss)/profit before taxation		<b>(87,170)</b>	86,230
Taxation	6	<b>(5,839)</b>	(8,016)
(Loss)/profit for the year		<b>(93,009)</b>	78,214
<b>Attributable to:</b>			
Shareholders of the Company		<b>(93,994)</b>	77,974
Non-controlling interests		<b>985</b>	240
		<b>(93,009)</b>	78,214
<b>(Losses)/earnings per share for (loss)/profit attributable to shareholders of the Company during the year</b>			
– Basic	7	<b>HK(4.29) cents</b>	HK3.56 cents
– Diluted	7	<b>HK(4.29) cents</b>	HK3.56 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit for the year	(93,009)	78,214
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	50,926	(33,825)
<i>Items that will not be reclassified to profit or loss</i>		
– Fair value gain on financial assets at fair value through other comprehensive income	8,331	98,177
– Currency translation differences	2,090	(1,493)
Other comprehensive income for the year, net of tax	61,347	42,261
Total comprehensive (loss)/income for the year	(31,662)	120,475
<b>Attributable to:</b>		
Shareholders of the Company	(34,737)	121,728
Non-controlling interests	3,075	(1,253)
	(31,662)	120,475

## CONSOLIDATED BALANCE SHEET

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Intangible assets		1,726	1,726
Property, plant and equipment		368,733	404,590
Right-of-use assets		25,813	13,038
Investment properties		565,856	577,806
Leasehold land and land use rights		31,650	32,853
Properties under development		134,800	130,833
Deferred tax assets		194	223
Financial assets at fair value through other comprehensive income		–	126,391
Other non-current prepayments and deposits		2,575	1,922
		<u>1,131,347</u>	<u>1,289,382</u>
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		318,919	344,623
Loans and advances		1,441,425	1,082,226
Trade receivables	9	388,560	253,993
Other receivables, prepayments and deposits		56,929	45,710
Tax recoverable		91	7,348
Financial assets at fair value through profit or loss		103,769	8,198
Deposits with banks		49,177	5,640
Client trust bank balances		2,403,983	1,726,732
Cash and bank balances		133,219	284,650
		<u>4,896,072</u>	<u>3,759,120</u>
<b>Total current assets</b>			
<b>Current liabilities</b>			
Trade and other payables	10	3,151,228	2,264,679
Tax payable		32,758	41,353
Lease liabilities		11,549	8,018
Borrowings		222,802	77,278
		<u>3,418,337</u>	<u>2,391,328</u>
<b>Total current liabilities</b>			
<b>Net current assets</b>		<u>1,477,735</u>	<u>1,367,792</u>
<b>Total assets less current liabilities</b>		<u>2,609,082</u>	<u>2,657,174</u>

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>55,426</b>	65,201
Lease liabilities		<b>15,908</b>	5,138
Borrowings		<b>12,673</b>	30,009
Other non-current liabilities		<b>1,026</b>	798
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>85,033</b>	101,146
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net assets</b>		<b>2,524,049</b>	2,556,028
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Equity</b>			
Share capital		<b>1,265,591</b>	1,265,591
Reserves		<b>1,187,557</b>	1,222,294
		<hr/>	<hr/>
Capital and reserves attributable to the Company's shareholders		<b>2,453,148</b>	2,487,885
Non-controlling interests		<b>70,901</b>	68,143
		<hr/>	<hr/>
<b>Total equity</b>		<b>2,524,049</b>	2,556,028
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

## **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 2025 and 2024 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 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) and will deliver the consolidated financial statements for the year ended 31st December 2025 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 HKFRS Accounting Standards (“HKFRSs”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) 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 HKFRSs 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.

## 2. BASIS OF PREPARATION (continued)

### New and amended standards adopted by the Group

The 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 development is relevant to the Group's consolidated financial statements:

- Amendments to HKAS 21, *Lack of Exchangeability*

The adoption of the amendment to HKFRSs 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. While the adoption of HKFRS 18 – Presentation and Disclosure in Financial Statements would not have any impact on the Group's operating result or financial position, it is expected to trigger certain changes in the presentation of Consolidated Income Statement and Consolidated Statement of Comprehensive Income.

## 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.

### 3. SEGMENT INFORMATION (continued)

#### (a) Operating segments

	Financial services 2025 HK\$'000	Property development 2025 HK\$'000	Property investment and hotel 2025 HK\$'000	Other businesses 2025 HK\$'000	2025 HK\$'000
<b>Income statement</b>					
Revenue	<u>251,752</u>	<u>18,349</u>	<u>137,502</u>	<u>-</u>	<u>407,603</u>
Segment results	<u>63,955</u>	<u>(34,852)</u>	<u>(96,948)</u>	<u>(28,675)</u>	<u>(96,520)</u>
Unallocated net operating expenses					<u>(46,014)</u>
Operating loss					<u>(142,534)</u>
Finance income – net					<u>55,364</u>
Loss before taxation					<u>(87,170)</u>
<b>Balance sheet</b>					
Segment assets	4,354,783	501,714	1,004,577	95,115	5,956,189
Tax recoverable					91
Deferred tax assets					194
Corporate assets					<u>70,945</u>
Total assets					<u>6,027,419</u>
<b>Other information</b>					
Costs of sales	63,088	34,118	76,242	-	173,448
Depreciation and amortisation	8,588	314	25,727	2,849	37,478
Impairment of property, plant and equipment and right-of-use assets	-	-	52,101	-	52,101

*Note: There were no sales among the operating segments.*

### 3. SEGMENT INFORMATION (continued)

#### (a) Operating segments (continued)

	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
<b>Income statement</b>					
Revenue	<u>168,567</u>	<u>67,624</u>	<u>151,380</u>	<u>2,815</u>	<u>390,386</u>
Segment results	<u>30,898</u>	<u>(12,210)</u>	<u>(16,954)</u>	<u>66,208</u>	67,942
Unallocated net operating expenses					<u>(41,987)</u>
Operating profit					25,955
Finance income – net					<u>60,275</u>
Profit before taxation					<u>86,230</u>
<b>Balance sheet</b>					
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					<u>19,622</u>
Total assets					<u>5,048,502</u>
<b>Other information</b>					
Costs of sales	31,417	60,442	77,547	1,100	170,506
Depreciation and amortisation	8,895	340	25,783	3,321	38,339
Impairment of property, plant and equipment and right-of-use assets	–	–	–	–	–

*Note: There were no sales among the operating segments.*

### 3. SEGMENT INFORMATION (continued)

#### (b) Geographical segments

	Hong Kong 2025 <i>HK\$'000</i>	PRC 2025 <i>HK\$'000</i>	France 2025 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	<u>252,416</u>	<u>87,089</u>	<u>68,098</u>	<u>407,603</u>
Non-current assets*	<u>89,663</u>	<u>822,272</u>	<u>219,218</u>	<u>1,131,153</u>
	Hong Kong 2024 <i>HK\$'000</i>	PRC 2024 <i>HK\$'000</i>	France 2024 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
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>

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

### 4. OTHER (LOSSES)/GAINS – NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss on disposal of investment properties	(111)	(9)
Net gain on disposal of subsidiaries	–	65,104
Net gain on disposal of property, plant and equipment	13	42
Fair value losses on investment properties	(20,990)	(4,149)
Net fair value loss on FVPL	(28,238)	–
Net foreign exchange gain/(loss)	<u>4,751</u>	<u>(2,372)</u>
	<u>(44,575)</u>	<u>58,616</u>

## 5. OPERATING (LOSS)/PROFIT

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

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Depreciation	<b>35,975</b>	36,824
Amortisation of leasehold land and land use rights	<b>1,503</b>	1,515
Cost of properties sold	<b>18,459</b>	60,442
Impairment of properties held for sale	<b>15,659</b>	–
Net losses/(reversal of) on impairment of financial assets	<b>3,012</b>	(10,956)
Stockbroking commission and related expenses	<b>48,484</b>	22,297
Staff costs	<b>229,899</b>	207,665
Charges related to litigation	<b>4,357</b>	4,593
Auditors' remuneration		
Audit and audit related work		
– the Company's auditor	<b>2,083</b>	2,028
– other auditors	<b>990</b>	1,020
Non-audit services – the Company's auditor	<b>622</b>	659

## 6. TAXATION

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

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong profits tax		
Current	<b>7,699</b>	4,522
Under/(over) provision in previous years	<b>186</b>	(59)
Overseas taxation		
Current	<b>8,280</b>	1,040
Under/(over) provision in previous years	<b>1</b>	(3)
Land appreciation tax		
Current	<b>1,594</b>	3,057
Deferred taxation	<b>(11,921)</b>	(541)
Taxation charge	<b>5,839</b>	8,016

## 7. (LOSSES)/EARNINGS PER SHARE

The calculation of basic and diluted (losses)/earnings per share is based on the Group's loss attributable to shareholders of approximately HK\$93,994,000 (2024: profit attributable to shareholders of approximately HK\$77,974,000). The basic (losses)/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 year.

Diluted (losses)/earnings per share is the same as the basic (losses)/earnings 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 (2024: HK\$Nil) for the year ended 31st December 2025.

## 9. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Due from clearing houses	82,727	93,381
Due from stockbrokers	15,873	63,382
Due from stockbroking clients	277,175	93,129
Trade receivables – others	<u>13,680</u>	<u>5,200</u>
	389,455	255,092
Loss allowance	<u>(895)</u>	<u>(1,099)</u>
	<u><u>388,560</u></u>	<u><u>253,993</u></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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	377,624	253,337
31 – 60 days	639	250
61 – 90 days	217	133
Over 90 days	<u>10,080</u>	<u>273</u>
	<u><u>388,560</u></u>	<u><u>253,993</u></u>

## 10. TRADE AND OTHER PAYABLES

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Due to clearing houses	<b>202,439</b>	12,102
Due to stockbrokers	<b>11,177</b>	45,008
Due to stockbroking clients	<b>2,568,121</b>	1,861,177
Trade payables	<b>169,749</b>	163,743
	<hr/>	<hr/>
Total trade payables	<b>2,951,486</b>	2,082,030
Contract liabilities	<b>13,737</b>	13,717
Accruals and other payables	<b>186,005</b>	168,932
	<hr/>	<hr/>
	<b>3,151,228</b>	2,264,679
	<hr/> <hr/>	<hr/> <hr/>

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\$2,403,983,000 (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 clearing houses, stockbrokers and stockbroking clients 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:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 – 30 days	<b>7,684</b>	9,220
31 – 60 days	<b>1,063</b>	1,801
61 – 90 days	<b>776</b>	1,414
Over 90 days	<b>160,226</b>	151,308
	<hr/>	<hr/>
	<b>169,749</b>	163,743
	<hr/> <hr/>	<hr/> <hr/>

## **MARKET OVERVIEW**

The global economy in 2025 witnessed a complex interplay of moderate growth and persistent geopolitical uncertainties. The United States continued to exert influence as a primary engine of growth, though increasing trade protectionism, particularly through new tariffs on imports, cast a shadow over market sentiment. Investors grappled with concerns over how these tariffs would impact global trade dynamics. Geopolitical tensions, particularly surrounding the ongoing conflicts in Ukraine and the Middle East, also heightened worries about stability in global investment flows. In Europe, economic growth remained sluggish, with only minor recoveries as inflationary pressures complicated monetary policy responses. However, major European stock markets experienced gains, buoyed by easing inflation and supportive monetary policies. Meanwhile, emerging markets in Asia showcased resilience, benefiting from strong local demand and accommodative monetary policies. Overall, financial markets demonstrated a degree of resilience, with stock indices in both the United States and Asia displaying recovery trends despite ongoing uncertainties.

The Chinese economy showed moderate growth in 2025, driven by revitalized domestic consumption and government stimulus designed to stabilize economic activity. The Central Government prioritized innovation and green technology advancements while confronting enduring challenges, such as trade tensions and a fragile property sector. Although there was a rebound in exports by mid-year, demographic issues, including a dwindling workforce, posed long-term hurdles. Fiscal and monetary policies aimed at bolstering domestic demand were necessary but left the economy exposed to external pressures and fluctuations.

In Hong Kong, the economic landscape remained mixed. While domestic consumption has weakened due to shifting consumer habits, the impact was offset by rising investment expenditure and an influx of tourists since the second half of 2025. The stock market showed significant volatility, rebounding in response to temporary suspensions of the United States tariff measures and renewed hopes for trade agreements following interest rate cuts by the Federal Reserve. Nonetheless, the property market continued to struggle, with declining prices for commercial and retail properties. Moving forward, while signs of resilience were observable, both external and internal challenges suggested a cautious economic outlook, underscoring the need for ongoing policy support and adaptive strategies 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 2025, the Group recorded a net loss and basic losses per share attributable to shareholders of approximately HK\$94 million and HK4.29 cents respectively, compared with a net profit and basic earnings per share attributable to shareholders of approximately HK\$78 million and HK3.56 cents respectively recorded in 2024.

In 2025, Hong Kong's securities market staged a remarkable resurgence, leveraging comprehensive support from the Central Government to reaffirm its status as a global finance hub. The Hang Seng Index surged by 28%, reflecting robust market activity. The average daily market turnover climbed to approximately HK\$250 billion, marking a 90% year-on-year increase. Investor sentiment strengthened notably, bolstered by an improving earnings outlook, substantial capital inflows, and the revival of IPO activities. The strong influx of global capital and record levels of southbound buying via Stock Connect further enhanced liquidity. Hong Kong regained its status as the top global destination for IPOs in 2025, raising approximately HK\$286 billion from 119 listings, a threefold increase from 2024. Innovative sectors such as new energy and AI drove this growth, with new economy companies accounting for significant portion of IPOs. Our Financial Services Sector benefited from this surge in market turnover and fundraising activities, reporting significant increases in both brokerage and placing commission income. Overall, the financial market in 2025 was an encouraging year, characterized by growth and renewed investor confidence, setting the stage for sustained momentum in the years to come.

The Chinese Mainland's property development market in Tier 2 and Tier 3 cities navigated a phase of "stabilization through divergence" in 2025 with policy support aligning with shifting consumer demands. The residential market showed signs of recovery in Tier 1 cities, while Tier 2 and Tier 3 cities continued to grapple with high inventory levels. The Central Government implemented stimulus measures including easing regulations and lowering interest rates. But transaction activity remained subdued due to concerns over slow economic growth. In the commercial sector, challenges persisted due to office oversupply, tempered by market confidence and the ongoing e-commerce boom. Meanwhile, the hotel sector experienced rising occupancy rates, but intense price competition led to reduced room rates, impacting overall revenue growth. This complex landscape reflects the nuanced dynamics of the property and hotel markets, where varying conditions across different city tiers continue to shape future prospects. Profit margins on property sales of the Group continued to decline in 2025, and the fair value losses recognized on the Group's property projects had significant impact on the overall performance.

## **FINANCIAL REVIEW**

### **Overview**

For the year ended 31st December 2025, the Group recorded a net loss attributable to shareholders of approximately HK\$94 million, when compared with a net profit attributable to shareholders of approximately HK\$78 million recorded in 2024. The results from profit to loss in 2025 was primarily attributable to (i) the fair value adjustment and impairment provision on certain non-current assets in Property and Hotel Sector amid the challenging market conditions, (ii) the recognition of an unrealized fair value loss on a financial asset, and (iii) a non-recurring net gain from the disposal of subsidiaries in 2024, whereas no such gain was recorded in 2025. Nevertheless, the effects were partially offset by the encouraging performance of our Financial Services Sector compared to 2024. The strong capital inflows driven by interest rate cuts by major central banks, together with a robust rebound in IPO and fundraising activities, boosted

investor sentiment and sustained positive momentum in the Hong Kong stock market. Consequently, our Financial Service Sector experienced significant growth in both brokerage commission income and placing commission income compared to 2024. Overall, the basic losses per share attributable to shareholders was HK4.29 cents (2024: basic earnings per share HK3.56 cents). Revenue of the Group was approximately HK\$408 million, reflecting an increase by 5% as compared to 2024. The increase was mainly driven by the boost in brokerage commission income and placing commission income of our Financial Services Sector, partially offset by the decline in property sales of the Huangshan project and reduction in hotel operation income. The total net assets of the Group slightly decreased by 1% from approximately HK\$2,556 million in 2024 to approximately HK\$2,524 million in 2025.

## **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, insurance brokerage, asset management and wealth management. In 2025, operating profit from our Financial Services Sector increased by 106% to HK\$64 million as compared with the profit of HK\$31 million recorded in 2024. The improvement was demonstrated by the growth in brokerage commission income and placing commission income, while the effects were partially offset by the drop in margin loan interest income and advisory income.

In 2025, the Hong Kong stock market demonstrated a strong and broad-based recovery, ranking among the best-performing major equity markets worldwide. The Hang Seng Index delivered a robust performance in 2025, reaching a high of 27,287 in October 2025 and closing at 25,631 at the year end, representing a 28% gain compared to 2024. The average daily market turnover reported a record of approximately HK\$250 billion in 2025, increasing by approximately 90% when compared with 2024, reflecting robust trading activity throughout 2025. Marking high trading volume, our Financial Services Sector recorded a 112% increase in brokerage and placing commission income compared to 2024. Despite these gains, the margin loan interest income declined by 6% during the year due to keen competition on loan interest rate. Meanwhile, our corporate finance team continued to focus on IPO and financial advisory transactions. The corporate finance advisory landscape in Hong Kong remained highly competitive in 2025, resulting in a 25% decrease of advisory income compared to 2024.

## **Property and Hotel**

The Group's Property and Hotel Sector includes property development, property investment, property management, hotel and golf operation. The Group is managing a diverse portfolio of property projects, including residential properties, service apartments, commercial office, industrial office, hotel and recreation resort. During 2025, the recovery of China's property market remained under pressure and subdued. Despite ongoing government supportive measures, their impact was limited by weak household income prospects and low homebuyer confidence. Market confidence still takes time to recover and market sentiment remains cautious overall. The operating loss from Property and Hotel Sector widened significantly to HK\$132 million in 2025 from a

loss of HK\$29 million as recorded in 2024, representing a 355% increase in the loss year-on-year. The substantial increase in loss was primarily attributable to the recognition of significant impairment provision on properties held for sale, property, plant and equipment and right-of-use assets, amidst an uncertain and challenging market outlook, particularly in relation to our hotel investment in Paris. In addition, the recognition of fair value losses on certain investment properties, and the decline in profit margin from property sales in Huangshan project further hard hit the sector performance.

During 2025, both revenue and profit margin from sale of properties decreased when compared to 2024. The decline was mainly due to the decrease in selling prices and units of property sold of Huangshan project following the completion of construction work in 2024, which was partially offset by the mild increase in property sales in Wuxi project despite the weak market sentiment. In the coming year, we will continue to focus on the disposal of the remaining properties of the existing property projects.

In 2025, rental income from investment properties and property management income decreased by 12% compared to 2024, due to general downward pressure on rental value and challenges in lease renewals. Investment properties held by the Group reported a net fair value loss of approximately HK\$21 million in 2025, increased substantially when comparing with the net fair value loss of approximately HK\$4 million in 2024.

Revenue from hotel and golf operation in 2025 declined by 9% compared to 2024, primarily due to the weak domestic leisure demand and subdued demand for corporate meetings and conferences, together with the intensified market competition in 2025.

### **Other Businesses**

The Group's Other Businesses Sector includes several direct investment projects. The Sector recorded an operating loss of HK\$29 million in 2025 compared to the operating profit of HK\$66 million in 2024. The significant turnaround from profit to loss was primarily attributable to the recognition of unrealized fair value loss on a financial asset in 2025, and a non-recurring net gain from the disposal of subsidiaries in 2024, whereas no such gain was recorded in 2025.

There was no new direct investment project in 2025 as the Group has focused its resources in developing the financial services business.

### **PROSPECTS**

In 2026, the Group remains cautiously optimistic as the dynamic market environment offered both growth opportunities alongside with notable challenges. The global economy is supported by favorable monetary policies and improving fundamentals in Chinese Mainland, which will also benefit the Hong Kong securities market. It is anticipated that the securities market will experience robust IPO activity, although it must contend with inherent risks arising from geopolitical tensions and from its heavy reliance on Chinese economic policies. Market performance will be closely tied to global macroeconomic developments and the evolving trajectory of Sino-U.S. relations. In particular, ongoing conflicts in the Middle East may lead to increased volatility in global

markets. This will undermine investors' confidence resulting in more cautious behavior, which could in turn reduce capital flows. The Chinese Mainland's property market will continue to face significant pressures. Its recovery will depend largely on effective government measures and broader economic stabilization strategies. While we expect gradual improvements in the residential sector, the commercial real estate market is likely to encounter persistent challenges due to subdued demand.

In response to these conditions, our strategic focus centers on enhancing digital transformation and expanding our product offerings to align with evolving market demands. Digitalization is essential for strengthening our risk monitoring capabilities, diversifying business activities, and improving operational efficiency. Utilizing advanced analytics and technology will enable us to respond swiftly to changing market conditions, thereby mitigating the impact of volatility in the market. Additionally, we will adopt a proactive risk management approach, emphasizing disciplined cost control and financial prudence to navigate market volatility effectively. This strategy will ensure that we remain resilient in the face of external challenges while pursuing innovative solutions that capitalize on emerging opportunities.

In summary, our dedication to these strategies positions us for sustainable long-term growth and enhanced value creation for our shareholders and potential investors. By staying vigilant against uncertainties and committing to digital transformation, we aim to strengthen our market position and positively contribute to the evolving economic landscape.

## **MATERIAL ACQUISITION AND DISPOSAL**

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 (2024: HK\$Nil) for the year ended 31st December 2025.

## **ANNUAL GENERAL MEETING**

The annual general meeting ("AGM") of the Company will be held on Friday, 29th May 2026. 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, 26th May 2026 to Friday, 29th May 2026, 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 Friday, 22nd May 2026.

## **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 2025.

## **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 2025, 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 2025.

## **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 2025.

## **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 2025 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 2025 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, 27th March 2026