第一上海
FIRST SHANGHAI GROUP

First Shanghai Investments Limited

Stock Code: 227

10 years+ 商界展關懷 caringcompany
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Interim Report 2026

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Mr. LO Yuen Yat

Executive Directors
Mr. XIN Shulin
Mr. YEUNG Wai Kin
Ms. LAO Yuanyuan

Non-executive Director
Mr. KWOK Lam Kwong, Larry, *S.B.S., J.P.*

Independent Non-executive Directors
Mr. LIU Ji
Mr. YU Qihao
Mr. ZHOU Xiaohe
Mr. LI Zhiyun

NOMINATION COMMITTEE

Mr. YU Qihao *(Chairman)*
Ms. LAO Yuanyuan
Mr. ZHOU Xiaohe

REMUNERATION COMMITTEE

Mr. ZHOU Xiaohe *(Chairman)*
Mr. LO Yuen Yat
Mr. YU Qihao

AUDIT COMMITTEE

Mr. YU Qihao *(Chairman)*
Mr. KWOK Lam Kwong, Larry, *S.B.S., J.P.*
Mr. LIU Ji
Mr. ZHOU Xiaohe
Mr. LI Zhiyun

COMPANY SECRETARY

Mr. YEUNG Wai Kin

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
China CITIC Bank International Limited
China Construction Bank Corporation, Hong Kong Branch
Dah Sing Bank, Limited
OCBC Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

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REGISTRARS & TRANSFER OFFICE

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17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

Stock Code on The Stock Exchange of Hong Kong Limited: 227

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 2026 together with the comparative figures for the corresponding period last year.

MARKET OVERVIEW

The first half of 2026 saw an uneven normalization in global growth and financial conditions. While inflation gradually moderated across major economies, the policy landscape remained highly sensitive to shifting interest rate expectations, trade frictions, and geopolitical risks. Interest rate expectations continued to drive cross-asset performance. The concerns about the sustainability of the massive spending on AI infrastructure, fiscal deficit issues and the ongoing stalemate in the Iranian conflict pushing up oil prices, have collectively driven global government bond yields to new highs. Meanwhile, Federal Reserve communications reflected ongoing debates over divergent growth and inflation paths, triggering frequent market repricing. Heightened conflict in the Middle East exacerbated this uncertainty. Energy supply disruptions, shipping route diversions, and commodity price swings, repeatedly tightened global financial conditions. As a result, marginal growth depended heavily on targeted policy support, labor market strength, and resilient corporate earnings. Against this backdrop, investors maintained a barbell allocation strategy. Structural momentum in artificial intelligence and technology sustained risk appetite in select equity markets. Conversely, persistent concerns over elevated capital costs, consumer endurance and regional stress, which have kept overall market volatility high.

Emerging Asia benefited from resilient domestic demand and a volatile yet receptive global environment that enabled selective portfolio re-risking. Improving risk appetite favored sectors with clear earnings visibility, particularly technology, over end-demand cyclicals. However, persistent geopolitical and energy risks constrained confidence in long-duration growth assumptions. In China, economic activity expanded moderately as policy prioritized "new growth drivers" and industrial transformation over traditional credit-fueled stimulus. The property market contraction remained a primary drag, weighing on consumer sentiment, local government finances, and construction activity. Consequently, markets closely scrutinized monetary and fiscal policy for signals on how the Central Government will balance demand support against structural reforms. Hong Kong's recovery moved at two speeds. Externally, rebounding inbound tourism, enhanced regional connectivity, and solid foreign demand provided clear momentum to service exports and trade. Internally, high operation costs and shifting consumer spending habits weighed heavily on local retail and real estate valuations. Amid these mixed dynamics, Hong Kong reinforced its standing as an international financial hub by upgrading market infrastructure, expanding its product suite and enhancing market liquidity.

BUSINESS OVERVIEW

The Group remains committed to its strategic business model, focusing resources on driving growth across its core operations in Financial Services as well as Property and Hotels.

During the first half of 2026, global financial markets navigated a complex backdrop of shifting interest-rate expectations, persistent geopolitical tensions in the Middle East, and uneven macroeconomic recoveries. Early optimism for monetary easing was tempered by sticky core inflation, driving cross-asset volatility worldwide. Despite these external headwinds, Hong Kong's financial market demonstrated remarkable resilience and liquidity growth. Average daily market turnover reached approximately HK$283 billion in the first half of 2026, a 18% year-on-year increase, fueled by active trading across equities, derivatives, and Southbound Stock Connect flows. Primary market activity rebounded sharply, with IPO fundraising surging 92% year-on-year to roughly HK$210 billion. Although the Hang Seng Index traded range-bound due to domestic property sector adjustments and cautious sentiment toward Chinese equities, the financial sector served as a key anchor for overall market stability. Consequently, the Group's Financial Services Sector capitalized on this robust trading environment, delivering growth across brokerage commission income, margin loan interest income and advisory service fee income. Looking ahead, ongoing infrastructure upgrades, product diversification, and deeper mutual market access with Chinese Mainland are expected to sustain liquidity and bolster long-term market resilience.

Meanwhile, China's property sector continued its structural adjustment amid cautious buyer sentiment and persistent inventory overhangs. Real estate investment and new construction contracted by double digits year-on-year, while national new-home sales values declined further. Home prices in both primary and secondary markets faced ongoing downward pressure. Performance remained sharply polarized tier-one hubs like Shanghai and Beijing showed selective price resilience, whereas lower-tier cities experienced steeper declines. Despite government urban renewal initiatives and targeted policy easing, buyers remained cautious, with secondary market transactions capturing a growing share of total volume. Huangshan property sales remained subdued, leading to compressed profit margins. Wuxi hotel operation faced headwinds from reduced corporate travel and more cautious consumer spending. However, the Property and Hotel Sector's overall operating loss narrowed slightly, driven by a reduction in fair value losses during the reporting period.

For the six months ended 30th June 2026, the Group recorded a net loss and basic losses per share attributable to shareholders of approximately HK$7 million and HK0.31 cents respectively, as compared to a net profit and basic earnings per share attributable to shareholders of approximately HK$3 million and HK0.15 cents respectively reported for the corresponding period of 2025.

PROSPECTS

Looking ahead to the second half of 2026, the Group maintains a cautiously optimistic outlook while navigating a complex global macroeconomic landscape. The global economy continues to be shaped by data-dependent monetary policies, sticky core inflation, and persistent geopolitical friction, particularly in the Middle East. While external uncertainties and energy market volatility may induce temporary cross-asset swings, improving fundamentals in Chinese Mainland and gradual rate-easing expectations should support risk appetite and liquidity across regional capital markets. In Hong Kong, economic conditions remain two-speed. Strong external demand, rebounding inbound tourism, and ongoing enhancement to financial market infrastructure continue to bolster service exports and financial hub connectivity. Furthermore, a revitalized IPO pipeline and product expansion initiatives present tangible growth opportunities. Conversely, local domestic consumption and commercial real estate dynamics are expected to remain constrained by shifting consumer spending habits and over supply of office buildings. In Chinese Mainland, policy continues to emphasize high-tech manufacturing and industrial transformation over credit-led stimulus, leaving the property sector under a gradual, multi-year adjustment.

To navigate this environment, the Group will maintain a disciplined and agile operational strategy centered on digital transformation, product diversification, and financial prudence. By accelerating technological integration, we aim to refine our advanced risk monitoring, optimize operational efficiency, and capture emerging digital financial opportunities. Concurrently, the Group is expanding its product suite to meet evolving investor demand for earnings visibility and structural growth themes. Supporting these initiatives is a steadfast commitment to rigorous risk management and cost discipline, ensuring capital protection and resilience against broader market shocks.

By balancing proactive innovation with conservative risk governance, the Group remains well-positioned to capitalize on emerging market opportunities, strengthen its core competitive advantage, and deliver sustainable long-term value to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

Overview

For the six months ended 30th June 2026, the Group recorded a net loss and basic losses per share attributable to shareholders of approximately HK$7 million and HK0.31 cents respectively, as compared to a net profit and basic earnings per share attributable to shareholders of approximately HK$3 million and HK0.15 cents respectively for the corresponding period in 2025. The unsatisfactory result reported in 2026 was mainly attributable to the recognition of an unrealized fair value loss on a financial asset, coupled with lower revenue and profit margin in our hotel operations due to soft demand for leisure and corporate travel in Wuxi district. Nevertheless, these adverse effects were partially mitigated by the strong performance in our Financial Services Sector in the first half of 2026. This segment benefited from a year-on-year increase in margin loan interest income fueled by higher average margin loan balances compared to the same period in 2025, alongside growth in brokerage commission income and advisory service fee income. This growth was supported by the robust trading activity, rising investor risk appetite and sustained IPO fundraising momentum in Hong Kong stock market. Revenue of the Group reached approximately HK$197 million, representing a modest increase of 3% from HK$192 million for the corresponding period in 2025. The increment was mainly contributed by the improvement in margin loan interest income, brokerage commission income and advisory service fee income. The effects were partially offset by the drop in revenue from hotel operations and sales of properties. Total net assets of the Group increased by 1% to approximately HK$2,537 million, from approximately HK$2,524 million as at 31st December 2025.

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, insurance brokerage, asset management and wealth management. For the six months ended 30th June 2026, the Financial Services Sector delivered a strong financial performance, recorded an operating profit of HK$45 million, representing an increase of approximately 111% compared to the corresponding period in 2025. The significant improvement was primarily driven by the growth in margin loan interest income, brokerage commission income and advisory services fee income.

During the first half of 2026, the Hong Kong equity market experienced significant trading volatility. The Hang Seng Index peaked at 28,056 points in January 2026, before undergoing a mid-period correction to close at 22,881 points at the end of the period, recorded a decline of approximately 11% for the first half of 2026. While market sentiment was dampened by heightened geopolitical tensions in the Middle East and ongoing uncertainty regarding U.S. interest rate policy, trading activity remained resilient. Driven by substantial capital inflows via the Southbound Stock Connect and a strong resurgence in IPO fundraising, average daily market turnover reached HK$283 billion for the period, a 18% increase compared to the corresponding period in 2025. Due to keen market competition, the Group's brokerage commission income for the first half of 2026 only reported a slight growth. On the other hand, margin loan interest income surged by 52% compared to the same period in 2025, propelled by higher average margin loan balances.

Leveraging the Group's extensive experience and deep expertise in primary and secondary market placements, we successfully completed five placement projects during the reporting period. These transactions spanned the gold mining, consumer goods, and construction services sectors, encompassing the issuance of new shares, unlisted warrants, and rights issue shares. The Group also participated in underwriting two IPO projects and has been appointed as the overall coordinator for four upcoming IPO listings. Public data indicates that over 500 IPO applications have been submitted to the Stock Exchange of Hong Kong, signaling a robust market pipeline. Moving forward, the Group will actively capture emerging business opportunities by participating in underwriting syndicates, while leveraging long-term relationships with corporate clients to secure further primary and secondary placement mandates.

Our corporate finance team maintained its strong focus on IPO and financial advisory transactions, successfully capturing diverse business opportunities presented by the favorable capital market environment. In the first half of 2026, our corporate finance team acted as (i) sole sponsor, with one of our clients making its first IPO listing application; (ii) independent financial adviser for three ongoing/completed cases, one of which involved the Hong Kong Code on Takeovers and Mergers; and (iii) compliance advisor for four companies listed in Hong Kong, with a robust pipeline of over ten compliance advisory cases awaiting the successful listing of our clients. In addition, five IPO cases were under processing. Our corporate finance team will closely monitor the market, proactively explore potential business opportunities and strive to deliver quality services, with a view to further enhancing its market position and reputation. Benefited from the strong IPO fundraising activities in Hong Kong stock market, our fee income from advisory services was significantly increased by 134% as compared with 2025.

Property and Hotel

The Group's Property and Hotel Sector primarily comprises property development, investment and management, alongside hotel and golf operations. The Group has developed a diverse portfolio of property projects, including residential properties, service apartments, commercial offices, industrial spaces, hotels in China, as well as a recreational resort in Paris. For the six months ended 30th June 2026, the Sector recorded an operating loss of HK$19 million, representing a 29% decrease compared to the corresponding period in 2025. This reduction in loss was mainly attributable to a modest fair value gain on investment properties in 2026, compared to fair value loss in 2025, alongside the absence of provision for impairment losses on certain properties held for sale. These positive impacts were partially offset by lower revenue and profit margins from property sales and hotel operations.

For the six months ended 30th June 2026, operating revenue from property development decreased by 45% compared with the corresponding period in 2025, primarily as a result of reduction in property sales in Huangshan project amid cautious buyer sentiment and subdued household demand.

Despite the decline in property sales, operating revenue from property investment and management operations remained stable compared with the corresponding period in 2025. The investment properties held by the Group reported a modest net fair value gain of approximately HK$0.2 million in 2026, compared with the net fair value loss of approximately HK$3 million recorded in 2025.

For the six months ended 30th June 2026, revenue from hotel and golf operations decreased by 17% compared to the corresponding period in 2025. The decline was mainly attributable to reduced corporate travel activities and more cautious consumer spending in Wuxi, which resulted in lower average room rate and adversely affected room revenue.

Other Businesses

The Group's Other Businesses Sector comprises several direct investments. For the reporting period, the Sector recorded an operating loss of HK$29 million, a significant increase from the operating loss of HK$2 million in the corresponding period of 2025. This increase was primarily attributable to the recognition of unrealized fair value loss on a financial asset in 2026. The Group is concentrating its resources on developing the financial services business, and no new direct investments were made in 2026.

Liquidity, financial resources and capital structure

The Group relied principally on its internal financial resources to fund its operations and investment activities. Bank and other loans and shareholders' fund raising projects will be arranged to meet the different demands of our operation needs. As at 30th June 2026, the Group had raised bank loans of approximately HK$77 million (31st December 2025: HK$235 million). As at 30th June 2026, the Group had held approximately HK$381 million (31st December 2025: HK$182 million) cash reserves. The gearing ratio (total borrowings to shareholders' fund) decreased to 3% as at 30th June 2026 (31st December 2025: 9.3%).

During the reporting period, there was no change on the Group's overall share capital structure. As at 30th June 2026, the total number of issued ordinary shares was 2,190,679,905 shares (31st December 2025: 2,190,679,905 shares).

The Group's licensed subsidiaries are subject to various statutory capital requirements in accordance with the Securities and Futures (Financial Resources) Rules (Cap. 571N) and the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules (Cap. 41 Sub. Leg. L). During the reporting period, all licensed corporations within the Group had complied with their respective requirements.

The Group's principal operations are transacted and recorded in Hong Kong dollars, Renminbi and EURO. The Group has no significant exposure to other foreign exchange fluctuations. The Group has not used any derivatives to hedge its exposure to foreign exchange risk.

Charges of assets of the Group

The Group has pledged properties, investment properties, leasehold land and land use rights and properties held for sale with an aggregate net carrying value of approximately HK$567 million (31st December 2025: HK$563 million) and fixed deposits of approximately HK$15 million (31st December 2025: HK$15 million) against its bank loans and general banking facilities. As at 30th June 2026, no bank borrowing was secured by charges over listed securities pledged by the customers of the Group as margin and IPO loan collateral (31st December 2025: same).

Contingent liabilities

The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to mortgage loans arranged for certain purchasers of the Group's properties in China. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks, whilst the Group will then be entitled to take over the legal title and possession of the related properties. Such guarantees will terminate upon issuance of the relevant property ownership certificates.

As at 30th June 2026, total guarantees amounted to approximately HK$3 million (31st December 2025: HK$3 million).

Material acquisitions and disposals

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

Human resources

The objectives of the Group's human resources management are to reward and recognise performing staff through a competitive remuneration package and a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group. Employees' remuneration is performance based and is reviewed annually. In addition to basic salary payments, other staff benefits include discretionary bonus, medical schemes, defined contribution provident fund schemes and employee share option scheme. Staff are enrolled in external and internal training courses or seminars in order to update their professional knowledge and technical skills so as to increase their awareness of market development and business trend. As at 30th June 2026, the Group employed 437 (30th June 2025: 537) staff, of whom 192 are based in Chinese Mainland. The staff costs of the Group for the six months ended 30th June 2026 amounted to approximately HK$113 million (30th June 2025: HK$110 million).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30th June 2026 HK$'000	2025 HK$'000
Revenue	5	**196,610**	191,595
Cost of sales		**(68,620)**	(84,143)
Gross profit		**127,990**	107,452
General and administrative expenses		**(132,242)**	(134,548)
Other losses – net	6	**(22,256)**	(509)
Operating loss	5 and 7	**(26,508)**	(27,605)
Finance income	8	**26,641**	38,864
Finance costs	8	**(4,914)**	(5,462)
Finance income – net	8	**21,727**	33,402
(Loss)/profit before taxation		**(4,781)**	5,797
Taxation	10	**(2,162)**	(2,123)
(Loss)/profit for the period		**(6,943)**	3,674
Attributable to:			
Shareholders of the Company		**(6,814)**	3,344
Non-controlling interests		**(129)**	330
		(6,943)	3,674
(Losses)/earnings per share for (loss)/profit attributable to shareholders of the Company			
– Basic	11	**HK(0.31) cents**	HK0.15 cents
– Diluted	11	**HK(0.31) cents**	HK0.15 cents

The notes on pages 18 to 36 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30th June	
	2026 **HK$'000**	2025 HK$'000
(Loss)/profit for the period	**(6,943)**	3,674
Other comprehensive income		
Items that have been reclassified or may be subsequently reclassified to profit or loss		
– Currency translation differences	**18,190**	45,024
Items that will not be reclassified to profit or loss		
– Fair value gain on financial assets at fair value through other comprehensive income	**–**	8,331
– Currency translation differences	**2,573**	923
Other comprehensive income for the period, net of tax	**20,763**	54,278
Total comprehensive income for the period	**13,820**	57,952
Attributable to:		
Shareholders of the Company	**11,376**	56,699
Non-controlling interests	**2,444**	1,253
	13,820	57,952

The notes on pages 18 to 36 form an integral part of this condensed consolidated financial information.

	Note	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Non-current assets			
Intangible assets	13	**1,726**	1,726
Property, plant and equipment	13	**360,157**	368,733
Right-of-use assets	13	**20,066**	25,813
Investment properties	13	**572,750**	565,856
Leasehold land and land use rights	13	**31,222**	31,650
Properties under development	14	**139,694**	134,800
Deferred tax assets		**79**	194
Other non-current prepayments and deposits		**2,475**	2,575
Total non-current assets		**1,128,169**	1,131,347
Current assets			
Inventories	14	**324,219**	318,919
Loans and advances		**1,122,354**	1,441,425
Trade receivables	15	**336,975**	388,560
Other receivables, prepayments and deposits		**95,459**	56,929
Tax recoverable		**94**	91
Financial assets at fair value through profit or loss		**74,873**	103,769
Deposits with banks		**50,847**	49,177
Client trust bank balances		**2,730,396**	2,403,983
Cash and bank balances		**330,420**	133,219
Total current assets		**5,065,637**	4,896,072
Current liabilities			
Trade and other payables	16	**3,466,043**	3,151,228
Tax payable		**34,447**	32,758
Lease liabilities		**10,536**	11,549
Borrowings	17	**66,918**	222,802
Total current liabilities		**3,577,944**	3,418,337
Net current assets		**1,487,693**	1,477,735

	Note	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Total assets less current liabilities		**2,615,862**	2,609,082
Non-current liabilities			
Deferred tax liabilities		**56,384**	55,426
Lease liabilities		**11,138**	15,908
Borrowings	17	**9,674**	12,673
Other non-current liabilities		**1,171**	1,026
Total non-current liabilities		**78,367**	85,033
Net assets		**2,537,495**	2,524,049
Equity			
Share capital	18	**1,265,591**	1,265,591
Reserves		**1,198,933**	1,187,557
Capital and reserves attributable to the Company's shareholders		**2,464,524**	2,453,148
Non-controlling interests		**72,971**	70,901
Total equity		**2,537,495**	2,524,049

The notes on pages 18 to 36 form an integral part of this condensed consolidated financial information.

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Cash flows from operating activities		
Net cash inflow from operating activities	**339,062**	168,822
Overseas taxation paid	**(2,445)**	(1,603)
Net cash generated from operating activities	**336,617**	167,219
Cash flows from investing activities		
Interest received	**27,688**	39,397
Purchase of property, plant and equipment	**(3,478)**	(610)
Decrease in deposits paid for property, plant and equipment	**75**	201
Proceeds from disposal of property, plant and equipment	**–**	183
Proceeds from disposal of investment properties	**6,580**	437
Proceeds from derecognition of financial assets at fair value through other comprehensive income	**–**	51
Placement of deposits with banks	**–**	(43,048)
Withdrawal of deposits with banks	**115**	–
Net cash generated from/(used in) investing activities	**30,980**	(3,389)

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Cash flows from financing activities		
Interest paid	**(4,920)**	(5,033)
Proceeds from borrowings	**60,000**	60,000
Repayments of borrowings	**(219,989)**	(74,227)
Dividend paid to non-controlling interests	**(374)**	(312)
Payment for lease liabilities	**(6,382)**	(6,043)
Net cash used in financing activities	**(171,665)**	(25,615)
Net increase in cash and cash equivalents	**195,932**	138,215
Cash and cash equivalents at 1st January	**133,219**	284,650
Exchange differences	**1,269**	1,085
Cash and cash equivalents at 30th June	**330,420**	423,950

The notes on pages 18 to 36 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited							
	Attributable to shareholders of the Company						Non-controlling interests	Total
	Share capital HK$'000	Capital reserve HK$'000	Assets revaluation reserve HK$'000	Financial assets at fair value through other comprehensive income reserve HK$'000	Exchange fluctuation reserve HK$'000	Retained earnings HK$'000	HK$'000	HK$'000
At 1st January 2026	**1,265,591**	**39,171**	**12,334**	**–**	**(22,260)**	**1,158,312**	**70,901**	**2,524,049**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(6,814)**	**(129)**	**(6,943)**
Other comprehensive income	**–**	**–**	**–**	**–**	**18,190**	**–**	**2,573**	**20,763**
Total comprehensive income for the period ended 30th June 2026	**–**	**–**	**–**	**–**	**18,190**	**(6,814)**	**2,444**	**13,820**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(374)**	**(374)**
At 30th June 2026	**1,265,591**	**39,171**	**12,334**	**–**	**(4,070)**	**1,151,498**	**72,971**	**2,537,495**

	Unaudited							
	Attributable to shareholders of the Company						Non-controlling interests	Total
	Share capital HK$'000	Capital reserve HK$'000	Assets revaluation reserve HK$'000	Financial assets at fair value through other comprehensive income reserve HK$'000	Exchange fluctuation reserve HK$'000	Retained earnings HK$'000	HK$'000	HK$'000
At 1st January 2025	1,265,591	39,038	12,334	65,985	(73,186)	1,178,123	68,143	2,556,028
Profit for the period	–	–	–	–	–	3,344	330	3,674
Other comprehensive income	–	–	–	8,331	45,024	–	923	54,278
Total comprehensive income for the period ended 30th June 2025	–	–	–	8,331	45,024	3,344	1,253	57,952
Dividend paid to non-controlling interests	–	–	–	–	–	–	(312)	(312)
Derecognition of financial assets at fair value through other comprehensive income	–	–	–	(74,316)	–	74,316	–	–
	–	–	–	(74,316)	–	74,316	(312)	(312)
At 30th June 2025	1,265,591	39,038	12,334	–	(28,162)	1,255,783	69,084	2,613,668

The notes on pages 18 to 36 form an integral part of this 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 2025 that is included in the condensed consolidated financial information for the six months ended 30th June 2026 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 2025 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 28th August 2026.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the six months ended 30th June 2026 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 2025, which have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 2025, as described in those annual financial statements.

(a) *Amended standards adopted by the Group*

In the current interim period, the following amendments to HKFRSs as issued by the HKICPA, which are effective for the Group's financial year beginning 1st January 2026:

- Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments;
- Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature – dependent Electricity; and
- Amendments to HKFRS Accounting Standards, Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of these amendments 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.

3. ACCOUNTING POLICIES (CONTINUED)

(b) *Standards and amendments to existing Standards that are not yet effective and have not been adopted by the Group*

The following Standards and amendments to existing Standards have been issued but are not effective for the financial year beginning 1st January 2026 and have not been early adopted:

		Effective for accounting periods beginning on or after
• HKFRS 18	Presentation and Disclosure in Financial Statements;	1st January 2027
• HKFRS 19 and amendment	Subsidiaries without Public Accountability: Disclosures;	1st January 2027
• Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause;	1st January 2027
• Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency; and	1st January 2027
• Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of these amended standards and interpretations in the period of initial application. Other than those disclosed below, the Group does not expect the adoption of these amended standards and interpretations to have a material impact on the Group's financial statements when they become effective.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not have any impact on the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the financial statements.

3. ACCOUNTING POLICIES (CONTINUED)

(b) *Standards and amendments to existing Standards that are not yet effective and have not been adopted by the Group (continued)*

The Group is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1st January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31st December 2026 will be restated in accordance with HKFRS 18.

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

4. ESTIMATES

The preparation of unaudited condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st December 2025.

5. 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.

5. SEGMENT INFORMATION (CONTINUED)

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 2026 are as follows:

	Unaudited				
	Financial services HK$'000	Property development HK$'000	Property investment and hotel HK$'000	Other businesses HK$'000	HK$'000
Interest revenue calculated using effective interest method	42,142	–	–	–	42,142
Timing of recognition:					
– At a point in time	80,472	6,531	19,941	–	106,944
– Over time	8,538	–	38,986	–	47,524
Revenue	131,152	6,531	58,927	–	196,610
Segment results	44,651	(8,463)	(10,491)	(29,043)	(3,346)
Unallocated net operating expenses					(23,162)
Operating loss					(26,508)
Finance income – net					21,727
Loss before taxation					(4,781)

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

5. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited				
	Financial services HK$'000	Property development HK$'000	Property investment and hotel HK$'000	Other businesses HK$'000	HK$'000
Interest revenue calculated using effective interest method	27,758	–	–	–	27,758
Timing of recognition:					
– At a point in time	79,296	11,700	25,257	–	116,253
– Over time	3,078	–	44,506	–	47,584
Revenue	110,132	11,700	69,763	–	191,595
Segment results	21,152	(12,758)	(14,054)	(2,322)	(7,982)
Unallocated net operating expenses					(19,623)
Operating loss					(27,605)
Finance income – net					33,402
Profit before taxation					5,797

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

5. SEGMENT INFORMATION (CONTINUED)

The unaudited segment assets of the Group as at 30th June 2026 are as follows:

	Unaudited				
	Financial services HK$'000	Property development HK$'000	Property investment and hotel HK$'000	Other businesses HK$'000	HK$'000
Segment assets	**4,555,779**	**497,915**	**1,003,152**	**66,072**	**6,122,918**
Tax recoverable					**94**
Deferred tax assets					**79**
Corporate assets					**70,715**
Total assets					**6,193,806**

The audited segment assets of the Group as at 31st December 2025 are as follows:

	Audited				
	Financial services HK$'000	Property development HK$'000	Property investment and hotel HK$'000	Other businesses HK$'000	HK$'000
Segment assets	4,354,783	501,714	1,004,577	95,115	5,956,189
Tax recoverable					91
Deferred tax assets					194
Corporate assets					70,945
Total assets					6,027,419

6. OTHER LOSSES – NET

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Loss on disposal of investment properties	**(2,096)**	(3)
Fair value gains/(losses) on investment properties	**208**	(2,989)
Fair value losses on financial assets at fair value through profit or loss	**(28,961)**	(2,156)
Net (loss)/gain on disposal of property, plant and equipment	**(47)**	18
Net foreign exchange gain	**8,640**	4,621
	(22,256)	(509)

7. OPERATING LOSS

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

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Depreciation	**16,931**	17,637
Amortisation of leasehold land and land use rights	**781**	740
Net (reversal of)/impairment of financial assets	**(2,519)**	888
Impairment of properties held for sale	**–**	2,957
Staff costs *(Note 9)*	**113,395**	109,904

8. FINANCE INCOME – NET

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Finance income	**26,641**	38,864
Finance costs		
– Interest on loans and overdrafts	**(4,468)**	(5,152)
– Interest expenses on lease liabilities	**(446)**	(310)
Total finance costs	**(4,914)**	(5,462)
Finance income – net	**21,727**	33,402

9. STAFF COSTS

Staff costs, including directors' remuneration, comprise:

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Wages, salaries and allowances	**101,350**	98,991
Retirement benefit costs	**4,734**	5,200
Other employee benefits	**7,311**	5,713
	113,395	109,904

10. TAXATION

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

	Unaudited Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
Hong Kong profits tax		
– Current	**992**	2,342
Overseas taxation		
– Current	**337**	418
– (Over)/under provision in previous years	**(34)**	1
Land appreciation tax	**1,742**	883
Deferred taxation	**(875)**	(1,521)
Taxation charge	**2,162**	2,123

11. (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$6,814,000 (2025: profit attributable to shareholders of approximately HK$3,344,000). The basic (losses)/earnings per share is based on the weighted average number of 2,190,679,905 (2025: 2,190,679,905) shares in issue during the period.

For the six months ended 30th June 2026 and 2025, 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 period.

12. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2026 (2025: HK$Nil).

13. CAPITAL EXPENDITURE

	Unaudited				
	Intangible assets HK$'000	Property, plant and equipment HK$'000	Right-of-use assets HK$'000	Investment properties HK$'000	Leasehold land and land use rights HK$'000
Net book value at 1st January 2026	**1,726**	**368,733**	**25,813**	**565,856**	**31,650**
Additions	**–**	**3,478**	**163**	**–**	**–**
Fair value gains	**–**	**–**	**–**	**208**	**–**
Disposals	**–**	**(47)**	**–**	**(8,676)**	**–**
Depreciation and amortisation	**–**	**(10,998)**	**(5,933)**	**–**	**(781)**
Exchange differences	**–**	**(1,009)**	**23**	**15,362**	**353**
Net book value at 30th June 2026	**1,726**	**360,157**	**20,066**	**572,750**	**31,222**

	Unaudited				
	Intangible assets HK$'000	Property, plant and equipment HK$'000	Right-of-use assets HK$'000	Investment properties HK$'000	Leasehold land and land use rights HK$'000
Net book value at 1st January 2025	1,726	404,590	13,038	577,806	32,853
Additions	–	811	6,843	–	–
Transfer from properties held for sale	–	–	–	871	–
Fair value losses	–	–	–	(2,989)	–
Disposals	–	(165)	–	(440)	–
Depreciation and amortisation	–	(11,946)	(5,691)	–	(740)
Exchange differences	–	39,641	469	5,842	136
Net book value at 30th June 2025	1,726	432,931	14,659	581,090	32,249

14. INVENTORIES

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Properties under development (within normal operating cycle)	**21,305**	20,558
Properties held for sale	**301,137**	296,707
Other inventories	**1,777**	1,654
	324,219	318,919
Properties under development (beyond normal operating cycle)	**139,694**	134,800

15. TRADE RECEIVABLES

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Due from clearing houses	**107,369**	82,727
Due from stockbrokers	**38,306**	15,873
Due from stockbroking clients	**177,026**	277,175
Trade receivables – others	**15,017**	13,680
	337,718	389,455
Loss allowance	**(743)**	(895)
	336,975	388,560

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.

15. TRADE RECEIVABLES (CONTINUED)

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 2026 and 31st December 2025, the ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
0 – 30 days	**325,169**	377,624
31 – 60 days	**907**	639
61 – 90 days	**121**	217
Over 90 days	**10,778**	10,080
	336,975	388,560

16. TRADE AND OTHER PAYABLES

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Due to clearing houses	**19,202**	202,439
Due to stockbrokers	**132,252**	11,177
Due to stockbroking clients	**2,941,982**	2,568,121
Trade payables	**171,813**	169,749
Total trade payables	**3,265,249**	2,951,486
Contract liabilities	**21,014**	13,737
Accruals and other payables	**179,780**	186,005
	3,466,043	3,151,228

16. TRADE AND OTHER PAYABLES (CONTINUED)

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$2,730,396,000 (31st December 2025: HK$2,403,983,000).

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.

At 30th June 2026 and 31st December 2025, the ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
0 – 30 days	**8,694**	7,684
31 – 60 days	**414**	1,063
61 – 90 days	**138**	776
Over 90 days	**162,567**	160,226
	171,813	169,749

17. BORROWINGS

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Non-current		
Bank loans – secured	**9,674**	12,673
Current		
Bank loans – secured	**66,918**	222,802
	76,592	235,475

As at 30th June 2026, the Group has pledged properties, investment properties, leasehold land and land use rights and properties held for sale with an aggregate net carrying value of approximately HK$567 million (31st December 2025: HK$563 million) and fixed deposits of approximately HK$15 million (31st December 2025: HK$15 million) to secure bank borrowings.

Bank borrowings are either repayable on demand or will mature and be repayable in July 2026 to December 2029 and bear floating interest rates. The weighted average effective interest rate at 30th June 2026 was 4.61% (31st December 2025: 5.22%) per annum. The carrying amounts of borrowings approximate to their fair values. Out of the total amount, approximately HK$60,000,000 (31st December 2025: HK$205,000,000) and HK$16,592,000 (31st December 2025: HK$30,475,000) are denominated in Hong Kong dollars and Renminbi respectively.

18. SHARE CAPITAL

	Unaudited 30th June 2026		Audited 31st December 2025	
	Number of shares (thousands)	**HK$'000**	Number of shares (thousands)	HK$'000
Ordinary shares, issued and fully paid:				
At beginning and end of the period	**2,190,680**	**1,265,591**	2,190,680	1,265,591

19. COMMITMENTS

(a) Capital commitments for property, plant and equipment, leasehold land and land use rights and properties under development:

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Contracted but not provided for	**324,721**	313,343

(b) Commitments under operating leases

The future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties as follows:

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Not later than one year	**14,651**	13,694
Later than one year but not later than five years	**10,661**	10,282
More than five years	**977**	1,650
	26,289	25,626

20. GUARANTEES AND CONTINGENT LIABILITIES

(a) Guarantees

	Unaudited 30th June 2026 HK$'000	Audited 31st December 2025 HK$'000
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties *(Note)*	**3,105**	2,996

20. GUARANTEES AND CONTINGENT LIABILITIES (CONTINUED)

(a) Guarantees (continued)

Note: The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to mortgage loans arranged for certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks whilst the Group will then be entitled to take over the legal title and possession of the related properties. Such guarantees will terminate upon issuance of the relevant property ownership certificates.

(b) Contingent liabilities

Up to the date of this report, the Group was still involved in a litigation for which the claimant demanded the Group for settlement of certain construction costs payable which had been fully accounted for by the Group in prior years. In addition, the claimant also demanded for certain penalty charges and related legal costs. Taking into account the latest legal advice, a provision amounting to HK$57 million was recognised in "accruals and other payables" as at 30th June 2026 (31st December 2025: HK$53 million).

21. RELATED PARTY TRANSACTIONS

The key management compensation is disclosed as follows:

	Unaudited Six months ended 30th June	
	2026 HK$'000	2025 HK$'000
Fees	**810**	876
Salaries and other employee benefits	**5,878**	5,725
Retirement benefit costs	**517**	505
	7,205	7,106

22. FINANCIAL RISK MANAGEMENT

22.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risks (including foreign exchange risk, interest rate risk and price risk).

This unaudited condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31st December 2025.

There have been no changes in the risk management responsible departments since year end or in any risk management policies.

22.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the unaudited financial assets that are measured at fair value at 30th June 2026:

	Unaudited		
	Level 1 HK$'000	**Level 2 HK$'000**	**Total HK$'000**
Financial assets at fair value through profit or loss			
– listed securities	**66,072**	**–**	**66,072**
– unlisted wealth management products	**–**	**8,801**	**8,801**
	66,072	**8,801**	**74,873**

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

22.2 Fair value estimation (continued)

The following table presents the audited financial assets that are measured at fair value at 31st December 2025:

	Audited		
	Level 1 HK$'000	Level 2 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss			
– listed securities	95,116	–	95,116
– unlisted wealth management products	–	8,653	8,653
	95,116	8,653	103,769

For the six months ended 30th June 2026, there were no transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

22.3 Group's valuation processes

The Group's finance department performs the valuations of financial assets required for financial reporting purposes: reports, discusses and explains the reasons for the fair value movements to the Chief Financial Officer at least once for each reporting date.

The fair values of the following financial assets and liabilities approximate to their carrying amounts:

- loans and advances;
- trade receivables;
- other receivables and deposits;
- deposits with banks, client trust bank balances and cash and bank balances;
- trade and other payables; and
- borrowings.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 30th June 2026, the interests of each director and chief executive in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company were as follows:

Interests in respect of the Company:

		Number of shares and underlying shares held			
Directors		**Personal interests**	**Corporate interests**	**Total**	**% of issued share capital of the Company**
Mr. LO Yuen Yat *(Note)*	Long position	167,848,105	1,008,235,742	1,176,083,847	53.69%
Mr. YEUNG Wai Kin	Long position	21,758,693	–	21,758,693	0.99%
Mr. ZHOU Xiaohe	Long position	160,000	–	160,000	0.01%

No directors and chief executives have any interest of short positions in any share or underlying shares of the Company.

Note: 119,193,530 shares, 888,689,298 shares and 352,914 shares are held by Kinmoss Enterprises Limited ("Kinmoss"), China Assets (Holdings) Limited ("China Assets") and New Synergies Investments Company Limited ("New Synergies") respectively. Kinmoss is a company wholly owned by Mr. LO Yuen Yat. China Assets is a company with 40% equity interests indirectly owned by Mr. LO Yuen Yat through New Synergies and New Synergies is a company with 40% equity interests directly owned by Mr. LO Yuen Yat.

Save as disclosed above, as at 30th June 2026, none of the directors and chief executives (including their spouse and children under 18 years of age) had any interest in shares, underlying shares and debentures of the Company, its specified undertaking and its other associated corporation required to be disclosed pursuant to the SFO and the Hong Kong Companies Ordinance (Cap. 622).

SHARE OPTIONS

On 24th May 2024, the shareholders of the Company approved a share option scheme (the "Scheme"). The purpose of the Scheme is to assist in recruiting, retaining and motivating key staff members. Under the terms of the Scheme, the directors have the discretion to grant to employees and directors of any member of the Group to subscribe for shares in the Company. No share options were granted, exercised, lapsed or outstanding under the Scheme during the six months ended 30th June 2026. The accounting policy adopted for share options is consistent with that as described in the annual financial statements for the year ended 31st December 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th June 2026, the Company had been notified of the following substantial shareholder's interests, holding 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors.

Ordinary shares in the Company:

		Personal interests	Family interests	Other interests	Total	% of issued share capital of the Company
Ms. CHAN Chiu, Joy ("Ms. Chan") *(Note)*	Long position	61,576,000	12,432,000	63,640,000	137,648,000	6.28%
Mr. YIN Jian, Alexander ("Mr. Yin") *(Note)*	Long position	12,432,000	61,576,000	63,640,000	137,648,000	6.28%

Note: *63,640,000 shares are held by The Golden Bridge Settlement, a trust with Ms. Chan and Mr. Yin as beneficiaries.*

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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2026 (2025: HK$Nil).

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, Ms. LAO Yuanyuan. The Nomination Committee was set up to assist the Board to review the structure, size, composition and diversity of the Board, assist the Board in maintaining a board skills matrix, 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. The Nomination Committee also reviews and assesses regularly the time commitment and contribution to the Board by each director as well as the director's ability to discharge his/her responsibilities, and supports the regular evaluation of the performance of the Board.

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 condensed consolidated financial statements for the six months ended 30th June 2026 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 2026.

By order of the Board
LO Yuen Yat
Chairman

Hong Kong, 28th August 2026