



**First Shanghai Investments Limited**

Stock Code: 227



**2025**  
INTERIM  
REPORT

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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*)

Mr. LO Yuen Yat

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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Website: [www.firstshanghai.com.hk](http://www.firstshanghai.com.hk)

### REGISTRARS & TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited

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 2025 together with the comparative figures for the corresponding period last year.

### MARKET OVERVIEW

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

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

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



### BUSINESS OVERVIEW

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

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

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

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

## PROSPECTS

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Financial review*

#### **Overview**

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

#### **Financial Services**

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

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

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

### ***Property and Hotel***

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

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



## MANAGEMENT COMMENTARY

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

### ***Other Businesses***

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

### ***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 2025, the Group had raised secured bank loans of approximately HK\$93 million (31st December 2024: secured bank loans of approximately HK\$107 million). As at 30th June 2025, the Group had held approximately HK\$473 million (31st December 2024: HK\$290 million) cash reserves. The gearing ratio (total borrowings to shareholders' fund) decreased to 3.6% as at 30th June 2025 (31st December 2024: 4.2%).

During the reporting period, there was no change on the Group's overall share capital structure. As at 30th June 2025, the total number of issued ordinary shares was 2,190,679,905 shares (31st December 2024: 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 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\$559 million (31st December 2024: HK\$558 million) and fixed deposits of the Group of approximately HK\$15 million (31st December 2024: HK\$15 million) against its bank loans and general banking facilities. No bank borrowing was secured by charges over listed securities pledged by the customers of the Group as margin and IPO loan collateral.

### *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 2025, total contingent liabilities relating to these guarantees amounted to approximately HK\$6 million (31st December 2024: HK\$14 million).

### *Material acquisition and disposal*

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

### *Human resources*

The objective of the Group's human resources management is 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 2025, the Group employed 537 (30th June 2024: 543) staff, of whom 303 are based in Chinese Mainland. The staff costs of the Group for the six months ended 30th June 2025 amounted to approximately HK\$110 million (30th June 2024: HK\$97 million).

## CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30th June	
	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	191,595	208,743
Cost of sales		(84,143)	(103,588)
Gross profit		107,452	105,155
Other (losses)/gains – net	6	(509)	53,719
Selling, general and administrative expenses		(134,548)	(124,389)
Operating (loss)/profit	5 and 7	(27,605)	34,485
Finance income	8	38,864	48,688
Finance costs	8	(5,462)	(16,904)
Finance income – net	8	33,402	31,784
Profit before taxation		5,797	66,269
Taxation	10	(2,123)	(161)
Profit for the period		3,674	66,108
<b>Attributable to:</b>			
Shareholders of the Company		3,344	66,261
Non-controlling interests		330	(153)
		3,674	66,108
<b>Earnings per share for profit attributable to shareholders of the Company</b>			
– Basic	11	HK0.15 cents	HK3.02 cents
– Diluted	11	HK0.15 cents	HK3.02 cents

The notes on pages 17 to 34 form an integral part of this condensed consolidated financial information.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
Profit for the period	3,674	66,108
Other comprehensive income/(loss)		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss</i>		
– Exchange reserve realised upon disposal of subsidiaries	–	(20,589)
– Currency translation differences	45,024	(14,218)
<i>Items that will not be reclassified to profit or loss</i>		
– Fair value gain/(loss) on financial assets at fair value through other comprehensive income	8,331	(2,717)
– Currency translation differences	923	(490)
Other comprehensive income/(loss) for the period, net of tax	54,278	(38,014)
Total comprehensive income for the period	57,952	28,094
<b>Attributable to:</b>		
Shareholders of the Company	56,699	28,737
Non-controlling interests	1,253	(643)
	57,952	28,094

The notes on pages 17 to 34 form an integral part of this condensed consolidated financial information.



## CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
	Note		
<b>Non-current assets</b>			
Intangible assets	13	1,726	1,726
Property, plant and equipment	13	432,931	404,590
Right-of-use assets	13	14,659	13,038
Investment properties	13	581,090	577,806
Leasehold land and land use rights	13	32,249	32,853
Properties under development	14	132,595	130,833
Deferred tax assets		147	223
Financial assets at fair value through other comprehensive income		—	126,391
Other non-current prepayments and deposits		1,651	1,922
<b>Total non-current assets</b>		<b>1,197,048</b>	<b>1,289,382</b>
<b>Current assets</b>			
Inventories	14	333,771	344,623
Loans and advances		977,361	1,082,226
Trade receivables	15	197,576	253,993
Other receivables, prepayments and deposits		55,528	45,710
Tax recoverable		7,434	7,348
Financial assets at fair value through profit or loss		140,807	8,198
Deposits with banks		49,500	5,640
Client trust bank balances		2,421,359	1,726,732
Cash and bank balances		423,950	284,650
<b>Total current assets</b>		<b>4,607,286</b>	<b>3,759,120</b>
<b>Current liabilities</b>			
Trade and other payables	16	2,972,668	2,264,679
Tax payable		43,953	41,353
Lease liabilities		8,746	8,018
Borrowings	17	77,510	77,278
<b>Total current liabilities</b>		<b>3,102,877</b>	<b>2,391,328</b>
<b>Net current assets</b>		<b>1,504,409</b>	<b>1,367,792</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
<b>Total assets less current liabilities</b>		<b>2,701,457</b>	2,657,174
<b>Non-current liabilities</b>			
Deferred tax liabilities		65,141	65,201
Lease liabilities		5,970	5,138
Borrowings	17	15,748	30,009
Other non-current liabilities		930	798
<b>Total non-current liabilities</b>		<b>87,789</b>	101,146
<b>Net assets</b>		<b>2,613,668</b>	2,556,028
<b>Equity</b>			
Share capital	18	1,265,591	1,265,591
Reserves		1,278,993	1,222,294
Capital and reserves attributable to the Company's shareholders		2,544,584	2,487,885
Non-controlling interests		69,084	68,143
<b>Total equity</b>		<b>2,613,668</b>	2,556,028

The notes on pages 17 to 34 form an integral part of this condensed consolidated financial information.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>		
Net cash inflow/(outflow) from operating activities	168,822	(140,892)
Hong Kong profits tax paid	–	(966)
Overseas taxation paid	(1,603)	(1,899)
Net cash generated from/(used in) operating activities	167,219	(143,757)
<b>Cash flows from investing activities</b>		
Interest received	39,397	49,662
Purchase of property, plant and equipment	(610)	(3,633)
Decrease in deposits paid for property, plant and equipment	201	513
Proceeds from disposal of property, plant and equipment	183	85
Proceeds from disposal of investment properties	437	1,176
Proceeds from disposal of subsidiaries	–	49,951
Proceeds from disposal of financial assets at fair value through other comprehensive income	51	–
Increase in deposits with banks	(43,048)	(4,633)
Net cash (used in)/generated from investing activities	(3,389)	93,121

4096.56

953.75

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from financing activities</b>		
Interest paid	(5,342)	(10,921)
Proceeds from borrowings	60,000	118,000
Repayments of borrowings	(74,227)	(142,244)
Dividend paid to non-controlling interests	(312)	(450)
Payment for lease liabilities	(5,734)	(6,933)
Net cash used in financing activities	(25,615)	(42,548)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>138,215</b>	<b>(93,184)</b>
Cash and cash equivalents at 1st January	284,650	340,622
Exchange differences	1,085	(790)
<b>Cash and cash equivalents at 30th June</b>	<b>423,950</b>	<b>246,648</b>

The notes on pages 17 to 34 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 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)
Disposal 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

  

	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 2024	1,265,591	38,924	12,334	(32,192)	(18,763)	1,100,263	65,529	2,431,686
Profit for the period	-	-	-	-	-	66,261	(153)	66,108
Other comprehensive loss	-	-	-	(2,717)	(34,807)	-	(490)	(38,014)
Total comprehensive income for the period ended 30th June 2024	-	-	-	(2,717)	(34,807)	66,261	(643)	28,094
Disposal of subsidiaries	-	-	-	-	-	-	4,311	4,311
Dividend paid to non-controlling interests	-	-	-	-	-	-	(450)	(450)
	-	-	-	-	-	-	3,861	3,861
At 30th June 2024	1,265,591	38,924	12,334	(34,909)	(53,570)	1,166,524	68,747	2,463,641

The notes on pages 17 to 34 form an integral part of this condensed consolidated financial information.

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

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

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

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

The financial information relating to the year ended 31st December 2024 that is included in the condensed consolidated financial information for the six months ended 30th June 2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

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

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

## 2. BASIS OF PREPARATION

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

## 3. ACCOUNTING POLICIES

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

### (a) *Amended standard adopted by the Group*

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

- Amendments to HKAS 21, Lack of Exchangeability

The adoption of the amendment to HKFRS has no material effect on the results and financial positions of the Group for the current and prior accounting periods. Accordingly, no prior period adjustments are required.

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

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

#### 4. 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 2024.

#### 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.

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.



# 5. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited				HK\$' 000
	Financial services HK\$' 000	Property development HK\$' 000	Property investment and hotel HK\$' 000	Other businesses HK\$' 000	
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 results of the Group for the six months ended 30th June 2024 are as follows:

	Unaudited				HK\$' 000
	Financial services HK\$' 000	Property development HK\$' 000	Property Investment and hotel HK\$' 000	Other businesses HK\$' 000	
Interest revenue calculated using effective interest method	36,862	–	–	–	36,862
Timing of recognition:					
– At a point in time	37,434	54,940	33,839	1,241	127,454
– Over time	4,354	–	38,505	1,568	44,427
Revenue	78,650	54,940	72,344	2,809	208,743
Segment results	9,568	(4,725)	(19,846)	67,668	52,665
Unallocated net operating expenses					(18,180)
Operating profit					34,485
Finance income – net					31,784
Profit before taxation					66,269

*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 2025 are as follows:

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

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

	Audited				HK\$' 000
	Financial services HK\$' 000	Property development HK\$' 000	Property investment and hotel HK\$' 000	Other businesses HK\$' 000	
Segment assets	3,264,355	533,038	1,048,578	175,338	5,021,309
Tax recoverable					7,348
Deferred tax assets					223
Corporate assets					19,622
Total assets					5,048,502

## 6. OTHER (LOSSES)/GAINS – NET

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

## 7. OPERATING (LOSS)/PROFIT

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

	Unaudited Six months ended 30th June	
	2025 HK\$' 000	2024 HK\$' 000
Depreciation	17,637	19,303
Amortisation of leasehold land and land use rights	740	755
Net losses/(reversal of) on impairment of financial assets	888	(347)
Provision for impairment of properties held for sale	2,957	–
Staff costs ( <i>Note 9</i> )	109,904	97,427



## 8. FINANCE INCOME – NET

	Unaudited Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
Finance income	38,864	48,688
Finance costs		
– Interest on loans and overdrafts	(5,152)	(16,377)
– Interest expenses on lease liabilities	(310)	(527)
Total finance costs	(5,462)	(16,904)
Finance income – net	33,402	31,784

## 9. STAFF COSTS

Staff costs, including directors' remuneration, comprise:

	Unaudited Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
Wages, salaries and allowances	98,991	85,815
Retirement benefit costs	5,200	5,394
Other employee benefits	5,713	6,218
	109,904	97,427

## 10. TAXATION

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

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

## 11. EARNINGS PER SHARE

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

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

## 12. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2025 (2024: 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 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

	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 2024	1,726	443,176	29,128	601,279	34,617
Additions	–	3,812	1,443	–	–
Fair value losses	–	–	–	(11,353)	–
Disposals	–	(3)	–	(1,183)	–
Disposal of subsidiaries	–	(1,750)	(5,083)	–	–
Depreciation and amortisation	–	(12,407)	(6,894)	–	(755)
Exchange differences	–	(11,092)	(312)	(3,151)	(86)
Net book value at 30th June 2024	1,726	421,736	18,282	585,592	33,776

## 14. INVENTORIES

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Properties under development (within normal operating cycle)	20,222	19,953
Properties held for sale	311,809	323,266
Other inventories	1,740	1,404
	<b>333,771</b>	<b>344,623</b>
Properties under development (beyond normal operating cycle)	<b>132,595</b>	<b>130,833</b>

## 15. TRADE RECEIVABLES

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

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

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

# 16. TRADE AND OTHER PAYABLES

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



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

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

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

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

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

## 17. BORROWINGS

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
<b>Non-current</b>		
Bank loans – secured	15,748	30,009
<b>Current</b>		
Bank loans – secured	77,510	77,278
	<b>93,258</b>	<b>107,287</b>

As at 30th June 2025, 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\$559 million (31st December 2024: HK\$558 million) and fixed deposits of approximately HK\$15 million (31st December 2024: HK\$15 million) to secure bank borrowings.

Bank borrowings are either repayable on demand or will mature and be repayable in July 2025 to December 2029 and bear floating interest rates. The weighted average effective interest rate at 30th June 2025 was 3.10% (31st December 2024: 6.32%) per annum. The carrying amounts of borrowings approximate to their fair values. Out of the total amount, approximately HK\$60,000,000 (31st December 2024: HK\$60,000,000) and HK\$33,258,000 (31st December 2024: HK\$47,287,000) are denominated in Hong Kong dollars and Renminbi respectively.

## 18. SHARE CAPITAL

	Unaudited 30th June 2025		Audited 31st December 2024	
	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 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Contracted but not provided for	308,217	304,122

- (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 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Not later than one year	15,636	16,252
Later than one year but not later than five years	14,000	14,711
More than five years	2,339	3,050
	31,975	34,013

## 20. CONTINGENT LIABILITIES

	Unaudited 30th June 2025 HK\$'000	Audited 31st December 2024 HK\$'000
Guarantees for mortgage facilities granted to certain property purchasers of the Group's properties (Note (i))	6,001	14,384

## 20. CONTINGENT LIABILITIES (CONTINUED)

Notes:

- (i) 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.
- (ii) As at 30th June 2025, the Group was 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\$50 million was recognised in "other payable" as at 30th June 2025 (31st December 2024: HK\$47 million).

## 21. RELATED PARTY TRANSACTIONS

- (a) The key management compensation is disclosed as follows:

	Unaudited Six months ended 30th June	
	2025 HK\$'000	2024 HK\$'000
Fees	876	960
Salaries and other employee benefits	5,725	5,657
Retirement benefit costs	505	497
	<b>7,106</b>	<b>7,114</b>

- (b) During the six months ended 30th June 2024, the Group completed a disposal of the entire equity interest in an indirect non-wholly owned subsidiary to a related party at a cash consideration of approximately HK\$3,500,000.

## 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 2024.

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 2025:

	Unaudited		
	Level 1 HK\$' 000	Level 2 HK\$' 000	Total HK\$' 000
Financial assets at fair value through profit or loss			
– listed securities	132,349	–	132,349
– unlisted wealth management products	–	8,458	8,458
	132,349	8,458	140,807



**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 2024:

	Audited		
	Level 1 HK\$' 000	Level 2 HK\$' 000	Total HK\$' 000
Financial assets at fair value through profit or loss			
– listed securities	1	–	1
– unlisted wealth management products	–	8,197	8,197
Financial assets at fair value through other comprehensive income			
– unlisted securities	–	126,391	126,391
	1	134,588	134,589

For the six months ended 30th June 2025, 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.

## DISCLOSURE OF INTERESTS

### 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 2025, 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			% of issued share capital of the Company
Directors		Personal interests	Corporate interests	Total	
Mr. LO Yuen Yat ( <i>Note</i> )	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 Xiaohu	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 2025, 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).

## DISCLOSURE OF INTERESTS

### SHARE OPTIONS

On 24th May 2024, the shareholders of the Company approved a share option scheme (the “Scheme”), with a term of ten years from the date of adoption. 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 2025. The accounting policy adopted for share options is consistent with that as described in the annual financial statements for the year ended 31st December 2024.

### SUBSTANTIAL SHAREHOLDERS’ INTERESTS

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th June 2025, 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 2025 (2024: HK\$Nil).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions as set out in the code provisions and recommended best practices as stipulated in Appendix C1 (the “CG Code”) of the Listing Rules throughout the period, except for the deviation from code provision C.2.1 of the CG Code.

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

#### *Nomination Committee*

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

#### *Remuneration Committee*

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### *Audit Committee*

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

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

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix C3 of the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30th June 2025.

By order of the Board

**LO Yuen Yat**

*Chairman*

Hong Kong, 22nd August 2025