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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in First Shanghai Investments Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FIRST SHANGHAI INVESTMENTS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 227)**

**MAJOR TRANSACTION  
DISPOSAL OF 50% EQUITY INTEREST IN A JOINT VENTURE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting to be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong at 3:00 p.m. on Tuesday, 15 October 2019 is set out on pages 28 to 29 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

23 September 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“Agreement”	the sale and purchase agreement dated 26 August 2019 entered into between the Vendor and the Purchaser in respect of the Disposal
“Announcement”	the announcement of the Company dated 26 August 2019
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday, a Sunday or a public holiday) on which banks are usually opening for the business in Hong Kong and the PRC
“Company”	First Shanghai Investments Limited (Stock Code: 227), a company incorporated in Hong Kong with limited liability on 7 July 1964, the Shares of which have been listed on the Main Board of the Stock Exchange since 1972
“Completion”	completion of the sale and purchase of the Disposal Interest in accordance with the Agreement
“Completion Date”	the date when the Completion takes place
“Conditions Precedent”	the conditions precedent to the Completion under the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	RMB200 million, being the consideration for the sale and purchase of the Disposal Interest
“Directors”	the directors of the Company
“Disposal”	the disposal of the Disposal Interest by the Vendor to the Purchaser pursuant to the Agreement
“Disposal Interest”	the 50% equity interest in Shanghai Zhangjiang held by the Vendor as at the Latest Practicable Date
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Disposal and the entering into and performance of obligations under the Agreement
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“PRC” or “Mainland China”	the People’s Republic of China
“PRC GAAP”	generally accepted accounting principles in the PRC
“Purchaser”	上海張江(集團)有限公司 (Shanghai Zhangjiang (Group) Company Limited*), a company established in the PRC with limited liability, being the existing joint venture partner holding 50% equity interest in Shanghai Zhangjiang
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Zhangjiang”	上海張江信息安全產業發展有限公司 (Shanghai Zhangjiang Property Development Company Limited*), an equity joint venture company established in Shanghai, the PRC in October 2002 with a registered capital of RMB71.12 million for a term of 50 years, which is owned by the Purchaser as to 50% and by the Vendor as to 50% as at the Latest Practicable Date
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Leader Capital Investments Limited, a company incorporated in British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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## DEFINITIONS

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\* *For identification purpose only*

*In this announcement, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1.000 = HK\$1.111. No representation is made that any amounts in RMB or HK\$ have been or could have been or can be converted at the above rates or at any other rates or at all.*

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## LETTER FROM THE BOARD

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### **FIRST SHANGHAI INVESTMENTS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 227)**

*Executive Directors:*

Mr. LO Yuen Yat (*Chairman*)  
Mr. XIN Shulin  
Mr. YEUNG Wai Kin

*Non-executive Director:*

Mr. KWOK Lam Kwong, Larry, *S.B.S., J.P.*

*Independent non-executive Directors:*

Prof. WOO Chia Wei  
Mr. LIU Ji  
Mr. YU Qihao  
Mr. ZHOU Xiao He

*Registered office:*

Room 1903, Wing On House  
71 Des Voeux Road Central  
Hong Kong

*Principal place of business*

*in Hong Kong:*  
19th Floor, Wing On House  
71 Des Voeux Road Central  
Hong Kong

23 September 2019

*To the Shareholders*

Dear Sirs,

### **MAJOR TRANSACTION DISPOSAL OF 50% EQUITY INTEREST IN A JOINT VENTURE**

#### **INTRODUCTION**

Reference is made to the Announcement, in which the Board announced that on 26 August 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser, pursuant to which, inter alia, the Vendor conditionally agreed to the sale of the Disposal Interest, representing the 50% equity interest in Shanghai Zhangjiang, to the Purchaser (or its nominee which shall not be a connected person of the Group) for the Consideration.

The purpose of this circular is to provide you with further details of the Disposal, recommendation from the Board in respect of the Disposal, and a notice of the EGM at which resolutions will be proposed to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### THE DISPOSAL

#### The Agreement

On 26 August 2019 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Purchaser, pursuant to which, inter alia, the Vendor conditionally agreed to the sale of the Disposal Interest, representing the 50% equity interest in Shanghai Zhangjiang, to the Purchaser (or its nominee which shall not be a connected person of the Group) for the Consideration. Details of the Agreement are summarised as follows:

- Date of the Agreement : 26 August 2019
- Purchaser : 上海張江(集團)有限公司 (Shanghai Zhangjiang (Group) Company Limited\*), a company established in the PRC with limited liability, which beneficially owns 50% equity interest in Shanghai Zhangjiang as at the Latest Practicable Date (or its nominee which shall not be a connected person of the Group). To the best of the Directors' knowledge, information and belief, the ultimate beneficial owner of the Purchaser is上海市浦東新區國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Pudong District, Shanghai).
- To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is an investment holding company principally engaged in the land and property development in the PRC; and (ii) save as disclosed above, the Purchaser and its ultimate beneficial owner(s) are not connected persons of the Company and are third parties independent of the Company and the connected persons of the Group.
- Vendor : Leader Capital Investments Limited, a company incorporated in British Virgin Islands with limited liability and wholly-owned by the Company
- Subject matter : The Disposal Interest, being the 50% equity interest in Shanghai Zhangjiang, currently owned by the Vendor as at the Latest Practicable Date

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## LETTER FROM THE BOARD

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### Consideration

Pursuant to the Agreement, the Consideration for the sale and purchase of the Disposal Interest shall be in the total sum of no more than RMB200 million (subject to downward adjustment as detailed below), which shall be payable in the following manner:

- (i) an intention money of RMB10 million (the “**Intention Money**”) shall be paid in cash by the Purchaser to the Vendor within five business days from the date of the Agreement, which shall be refunded to the Purchaser within three business days after the Completion Date;
- (ii) RMB190 million shall be settled in cash by the Purchaser to the Vendor on the Completion Date; and
- (iii) the remaining balance shall be settled in cash by the Purchaser to the Vendor within five business days after refund of the Intention Money to the Purchaser.

At any time prior to the Completion, the Purchaser, if agreed by the Vendor, may engage a third party assessor to assess the value of Shanghai Zhangjiang and its subsidiaries as at the benchmark assessment date of 31 May 2019 and as filed at the relevant state-owned assets management authorities governing the Purchaser (the “**Assessed Value**”). The relevant asset valuation work is currently expected to be completed on or around mid-October 2019, whilst the adjustment to the Consideration (if any) will then be determined shortly thereafter. Based on the Directors’ past experience in property investments in the PRC, they believe that it is unlikely that there will be any material difference in the valuation method, assumptions adopted or the final valuation results between the asset valuation to be conducted by a PRC valuer and the property valuation as set out in the Appendix II to this circular. In the event that (i) the Assessed Value is lower than the Consideration, the Consideration shall be adjusted downward to the Assessed Value and whereupon the Vendor shall be entitled to terminate the Agreement within three business days after its acknowledgement of the Assessed Value by notice in writing to the Purchaser without any liability or obligation on the part of any party to the Agreement (save in respect of any antecedent breaches and claims); and (ii) the Assessed Value is higher than the Consideration, the Consideration shall remain unchanged. Such downward adjustment mechanism is included in the Agreement per the Purchaser’s request as it is a State-owned enterprise and therefore is obliged to observe and strictly follow the relevant rules and regulations for assets acquisition as issued by the governing State-owned assets management authorities in Shanghai.

The Consideration was determined after arm’s length negotiations between the parties to the Agreement based on normal commercial terms with reference to the historical operating performance and the stagnant business prospects of Shanghai Zhangjiang in the foreseeable future as anticipated by the Board prior to the entering into of the Agreement. In addition, given that based on the Company’s experience, (i) in practice in most circumstances the consideration as agreed by the contractual parties for equity interest transactions in the PRC similar to the Disposal should not be higher than the value after assessment; and (ii) even if the Purchaser elect to carry out an assessment of the value of the Disposal Interest and the Assessed Value is eventually lower than the Consideration as agreed in the Agreement, the Vendor may still at its full liberty elect to terminate the Agreement and will be released from its obligations thereunder without incurring any legal liability (save for any antecedent breaches by the Vendor) so as to avoid selling the



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## LETTER FROM THE BOARD

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Disposal Interest at a significant undervalue based on the Company's own estimates and valuation, the Board is of the view that the inclusion of the said downward adjustment mechanism in the Agreement is fair, equitable and justifiable from the Company's perspective.

Shareholders should note that given the Purchaser is a state-owned enterprise in the PRC, it is required to observe and strictly follow the relevant rules and regulations for assets acquisition as issued by the governing state-owned assets management authorities in Shanghai, the PRC, in negotiating and determining the Consideration. The Company understands that the Purchaser is prohibited under the relevant rules and regulations of the PRC from purchasing the Disposal Interest at a consideration higher than the Assessed Value, and as such, the downward adjustment mechanism must be in place and be included in the Agreement as requested by the Purchaser in order to enable it to comply with its legal and regulatory obligations. Otherwise, the Disposal pursuant to the entering into of the Agreement could not be proceeded with so as the Group can never realise such a large gain on the Disposal of its investment in Shanghai Zhangjiang, if so, it would not be in the interests of the Company and the Shareholders as a whole.

The Board would like to highlight that prior to determining the Consideration at RMB200 million and entering into the Agreement, the Board has fully assessed the fair value of the Disposal Interest and in good faith considered that the Assessed Value is likely to be highly similar to the amount of the Consideration. When compared to the Group's historical cost of investment in Shanghai Zhangjiang of approximately HK\$33.5 million, the Disposal would result in a gain (after tax) of approximately HK\$253.1 million, and as such, the Board considered the Consideration to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Additionally, the Board wishes to further highlight that there is no upward adjustment mechanism in the Agreement since the inclusion of an upward adjustment mechanism would also invariably result in the inclusion of a reciprocal termination option for the Purchaser (i.e. similar to the current termination mechanism afforded to the Vendor) in the event that the Assessed Value is higher than the Consideration since this is an arm's length transaction. Due to the reasons mentioned above, as the Disposal represents a good opportunity for the Company to realise its investments in Shanghai Zhangjiang, the Company believes that it is commercially prudent to minimise any conditions to the Completion beyond its control in order to increase the likelihood of a successful completion of the Disposal. As the inclusion of a termination option exercisable by the Purchaser only in case of an upward adjustment would be a condition to Completion beyond the control of the Company and the Board is of the view that the Consideration amounts to a fair and reasonable valuation of the Disposal Interest, the Company is of the view that the inclusion of an upward adjustment mechanism would not be in the interests of the Group and the Shareholders as a whole as it would increase the uncertainty as to whether the Disposal would be successfully completed.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Consideration (including the abovementioned downward adjustment mechanism) is fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### Conditions Precedent

Completion of the sale and purchase of the Disposal Interest pursuant to the Agreement shall be conditional upon, inter alia, the satisfaction or (if applicable) waiver of the Conditions Precedent, which include, amongst others:

- (i) the Purchaser having completed legal, financial and taxation due diligence review on Shanghai Zhangjiang and its subsidiaries to its satisfaction within 30 business days from the date of the Agreement (or such longer period of time which may be separately agreed by the Vendor and the Purchaser);
- (ii) the Vendor having repaid in full all outstanding loans owed to Shanghai Zhangjiang at an aggregated sum of approximately RMB8.12 million within three business days after receipt of the Intention Money;
- (iii) the Purchaser having obtained the approval, permission or agreement as to the proposed land plot development of Shanghai Zhangjiang from the relevant authorities;
- (iv) the relevant state-owned assets management authorities governing the Purchaser having approved the entering into of the Agreement by the Purchaser and the transactions contemplated thereunder;
- (v) the Shareholders having approved the entering into of the Agreement by the Vendor and the transactions contemplated thereunder at a general meeting convened by the Company for such purposes;
- (vi) there being no material adverse change to Shanghai Zhangjiang and its assets, save for any property disposition as requested by the Purchaser; and
- (vii) the warranties, undertakings and declarations given by the Vendor and the Purchaser remain true, accurate and not misleading in all material respects from the date of the Agreement up to the Completion Date.

Pursuant to the Agreement, none of the above Conditions Precedent can be waived, save that the Purchaser may waive any of the Conditions Precedent set out in paragraphs (i), (ii), (iii), (vi) and (vii) above. In the event that the Conditions Precedent are not fulfilled (or waived, as the case may be), the Agreement will terminate and become null and void, upon which:

- (i) the parties thereto will be released from all obligations thereunder, save in respect of any antecedent breaches and claims; and
- (ii) the Intention Money shall be refunded to the Purchaser.

As at the Latest Practicable Date, Conditions Precedent numbered (i) and (ii) above have been fulfilled.

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## LETTER FROM THE BOARD

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### Liquidated Damages

In the event that the Vendor or the Purchaser (as the case may be) (i) acts unilaterally to terminate the sale and purchase of the Disposal Interest; or (ii) fails to satisfy the Conditions Precedent on its part and the Agreement is terminated as a result, the non-defaulting party shall be entitled to a liquidated damages at a sum equivalent to 10% of the Consideration (i.e. RMB20,000,000).

### Completion

Completion of the sale and purchase of the Disposal Interest shall take place within five business days after satisfaction of the Conditions Precedent. In the event that Completion fails to take place on or before 28 February 2020 by reason of the Vendor or the Purchaser (as the case may be), the non-defaulting party is entitled to terminate the Agreement by notice in writing to the other party, unless Shanghai Zhangjiang has already commenced any property demolition works per the Purchaser's request.

Upon Completion, the Group will cease to own any equity interest in Shanghai Zhangjiang and accordingly (i) Shanghai Zhangjiang will cease to be an equity joint venture company of the Group; and (ii) the profit or loss and assets and liabilities of Shanghai Zhangjiang will no longer be equity-accounted for in the consolidated financial statements of the Group. Pursuant to the Agreement, the profit/loss attributable to the Disposal Interest since 31 May 2019 will be entitled to/assumed by the Purchaser.

### INFORMATION ON SHANGHAI ZHANGJIANG

Shanghai Zhangjiang is an equity joint venture company established in Shanghai, the PRC in October 2002 with a registered capital of RMB71.12 million for a term of 50 years, and is principally engaged in property development. As at the Latest Practicable Date, Shanghai Zhangjiang is owned by the Purchaser as to 50% and the Vendor as to 50%, respectively. Upon Completion, Shanghai Zhangjiang will become a wholly-owned subsidiary of the Purchaser.

As at the Latest Practicable Date, Shanghai Zhangjiang has its one single development project on hand, which was completed in 2006 and located at Fuhai Business Park (Phase 3), No. 289 Bisheng Road, Pudong District, Shanghai, the PRC for leasing purposes.

Based on the audited financial statements of Shanghai Zhangjiang prepared in accordance with the PRC GAAP, its profit before and after taxation (i) for the year ended 31 December 2017 were approximately RMB16.2 million and RMB12.2 million respectively; and (ii) for the year ended 31 December 2018 were approximately RMB16.6 million and RMB12.5 million respectively.

Based on the latest unaudited financial statements of Shanghai Zhangjiang for the five months ended 31 May 2019 prepared in accordance with the PRC GAAP, (i) the profit before and after taxation for the five months ended 31 May 2019 were approximately RMB5.3 million and RMB4.2 million respectively; and (ii) its net asset value as at 31 May 2019 was approximately RMB96.1 million.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFIT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operation, medical and healthcare services, direct investment, investment holding and management.

Subject to audit, it is currently expected that the Group will record an accounting loss on the Disposal of approximately HK\$2.1 million, which is calculated with reference to the difference between the Consideration and the accumulated balance of investment cost and share of profits/reserves of Shanghai Zhangjiang based on the unaudited financial statements of Shanghai Zhangjiang attributable to the Disposal Interest as at 31 May 2019. However, such accounting loss is non-cash in nature and would not have any material adverse impact on the current and future cash flows and business operations of the Group. Nonetheless, when comparing to the Group's historical cost of investment in Shanghai Zhangjiang of approximately HK\$33.5 million, it would have recorded a gain (after tax) on the Disposal of approximately HK\$253.1 million on the basis that accumulated cash dividends of a joint venture (i.e. Shanghai Zhangjiang) of approximately HK\$83.7 million that had already been paid out to and received by the Vendor and accounted for in the consolidated financial statements of the Group over the years following the establishment of Shanghai Zhangjiang. Set out below is a summary of movement of accounting treatments for the Group's investment in Shanghai Zhangjiang since its establishment up to the Completion Date:

	<b>Accounting gain/(loss) <i>HK\$'000</i></b>	<b>Cash inflow/ (outflow) <i>HK\$'000</i></b>
Cost of investment in Shanghai Zhangjiang in 2002	33,529	(33,529)
Share of profits therein over the years since its establishment	264,030	
Cash dividends received over the years	(83,721)	83,721
Realised exchange reserve	(8,858)	
Share of net asset value of Shanghai Zhangjiang as at 31 May 2019 as stated at the Group's consolidated statement of financial position	204,980	
Net cost of investment before the Disposal		50,192
Gross proceeds on the Disposal	222,264	222,264
Gain on the Disposal before tax and expenses	17,284	272,456
Less: Capital gain tax and stamp duty payable	(18,385)	(18,385)
Less: Estimated professional fee to be incurred for the Disposal	(1,000)	(1,000)
Accounting loss on the Disposal under the prevailing accounting treatments	(2,101)	
Non-accounting gain on the Disposal based on historical cost of investment in Shanghai Zhangjiang		253,071

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## LETTER FROM THE BOARD

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The Directors consider that the Disposal represents a good opportunity for the Group to realize its long-term investment in Shanghai Zhangjiang with considerable amount of investing cash inflow, which is also consistent with the Group's business strategy to gradually fade away from the property development segment, and in turn more focus on the medical and healthcare service segment and financial services. It is intended that the estimated net proceeds from the Disposal of approximately HK\$194 million will be used for general working capital of the Group and to finance its medical and healthcare business, which was started up by end of 2017 and has continuously incurred considerable amount of capital expenditure and operating cash outflow since then.

The Directors consider that the Disposal will enable the Group to focus on its core businesses, and to allocate more financial resources to the development of these businesses, and they also believe that this will be beneficial to the Group in the long-term future.

The terms and conditions of the Disposal were arrived at after arm's length negotiations between the parties to the Agreement. The Board (including the independent non-executive Directors) is of the view that the terms of the Agreement and the transactions contemplated thereunder were negotiated on an arm's length basis between the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

Shanghai Zhangjiang has been accounted for as a jointly controlled entity by using equity method and its financial results have not been consolidated in the Group's financial statements since the establishment by holding the 50% equity interest in Shanghai Zhangjiang by the Group in October 2002. Upon the Completion, the Group will cease to hold any equity interest in Shanghai Zhangjiang, and its financial results will no longer be equity-accounted for in the consolidated financial statements of the Group.

#### **Earnings**

For illustrative purpose, based on (i) carrying amount of the Group's 50% equity interest in Shanghai Zhangjiang of approximately HK\$213 million as at 31 May 2019; (ii) the Consideration of RMB200 million (equivalent to approximately HK\$222.2 million); and (iii) the estimated professional fees attributable to the Disposal of approximately HK\$1 million, it is currently expected that the Company will record an accounting loss of approximately HK\$2 million from the Disposal after deducting the expenses attributable thereto, and the loss on Disposal of the investment in Shanghai Zhangjiang would be recognised in the Group's consolidated statement of profit or loss and other comprehensive income for the year ending 31 December 2020. However, the actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.

#### **Assets and liabilities**

Given the Disposal is expected to incur a loss on the Disposal of approximately HK\$2 million (subject to audit) to the Group, the consolidated net asset value attributable to equity holders of the Company is expected to decrease by approximately HK\$12 million. On the above basis and based on the audited consolidated financial statements of the Group as at 31 December 2018 after taking into account the

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## LETTER FROM THE BOARD

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effect of inter-company eliminations, the consolidated total assets and liabilities of the Group is expected to decrease by approximately HK\$18 million and HK\$6 million, respectively, which is not expected to cause any material impact on the consolidated total assets and liabilities of the Group.

Shareholders and potential investors of the Company should note that the actual financial effects of the Disposal on the Group may be different from those of the above and can only be determined based on the then financial position of the Group upon Completion (subject to audit).

### LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios in respect of the amount of the Disposal is over 25% but less than 75%, the entering into of the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder or any close associate of any Shareholder has any material interest in the Agreement and the Disposal, and thus no Shareholder would be required to abstain from voting on the resolution in respect of the Agreement and the transactions contemplated to be put forward for consideration at the EGM.

### RECOMMENDATION

The Board (including independent non-executive Directors) believes that the terms of the Disposal and the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including independent non-executive Directors) recommends the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

### THE EGM

A notice convening the EGM to be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong at 3:00 p.m. on Tuesday, 15 October 2019 for the purpose of considering and, if thought fit passing, with or without amendments, the ordinary resolution(s) to approve the Disposal by entering into of the Agreement and the transactions contemplated thereunder is set out on pages 28 to 29 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### RECORD DATE

Record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM will be on Thursday, 10 October 2019. In order to qualify for the aforesaid eligibility, all transfers must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Wednesday, 9 October 2019.

### VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on the resolution at the EGM will be conducted by way of poll.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information in respect of the Company set out in the appendices to this circular.

### GENERAL

Shareholders and potential investors of the Company should note that the Disposal may or may not materialise given it is subject to the Conditions Precedent, which may or may not be satisfied and therefore caution should be exercised when dealing in the Shares.

Yours faithfully,  
For and on behalf of the Board  
**First Shanghai Investments Limited**  
**YEUNG Wai Kin**  
*Executive Director and Company Secretary*

**1. FINANCIAL INFORMATION ON THE GROUP**

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2016, 2017 and 2018 have been disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk/>) and the Company (<http://www.firstshanghai.com.hk>):

- annual report of the Company for the year ended 31 December 2016 published on 20 April 2017 (pages 39 to 110);

<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0420/ltn20170420369.pdf>

- annual report of the Company for the year ended 31 December 2017 published on 20 April 2018 (pages 33 to 106); and

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0420/ltn201804201297.pdf>

- annual report of the Company for the year ended 31 December 2018 published on 29 April 2019 (pages 31 to 108).

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn201904292371.pdf>

**2. INDEBTEDNESS STATEMENT****Bank and other borrowings**

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings as follows:

Secured and unguaranteed bank borrowings of approximately HK\$279,149,000 and unsecured and unguaranteed other borrowings of approximately HK\$20,000,000.

**Pledge of assets**

The Group's general banking facilities, bank guarantee and certain outstanding secured borrowings of approximately HK\$253,149,000 were secured by the Group's properties of approximately HK\$392,479,000, investment properties of approximately HK\$292,808,000, leasehold/freehold land and land use rights of approximately HK\$141,050,000, properties held for sale of approximately HK\$217,762,000 and fixed deposits of approximately HK\$15,000,000. The remaining outstanding secured borrowings of approximately HK\$26,000,000 was secured by certain listed securities pledged by the customers to the Group as margin loan collateral which had an aggregate fair value amounting to HK\$323,888,000.



**Contingent liabilities and guarantees**

As at the close of business on 31 July 2019, the Group had guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties in China amounting to approximately HK\$7,068,000.

**Disclaimer**

Save as aforementioned or as otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade and other payables in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business on 31 July 2019.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account of the receipt of the estimated net proceeds from the Disposal of approximately HK\$194 million, as well as the Group's internal resources, the existing banking and other borrowing facilities available and the existing cash and bank balances, the Group will have sufficient working capital for at least the next 12 months from the date of this circular.

**4. FINANCIAL AND TRADING PROSPECTS**

The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operation, medical and healthcare services, direct investment, investment holding and management.

The Group adheres to its strategic business model and dedicates its efforts and resources to accelerating growth in various major business sectors, including Financial Services Sector, Property and Hotel Sector, Medical and Healthcare Sector and Direct Investment Sector.

Looking forward, given the challenging political and economic uncertainties, the Group's expects Sino-US trade war, uncertainty of Brexit, concerns about the economic growth in Chinese Mainland and recent social unrest in Hong Kong will continue to affect the real economy. Global monetary policies, especially the US interest rate outlook, will dominate capital flow among financial markets. Investment sentiment and assets valuation will be hindered with market volatility.

Amid the challenging environment, the Group expects that the Central Government's monetary policies will remain neutral while its fiscal policies will continue to focus on stimulation in domestic demand. The Sino-US trade war will continue to bring uncertainties to China's economic growth. The Central Government will continue to deepen the supply-side reforms, and takes measures to accelerate the upgrading of industries and consumption structure. The property industry is expected to remain stable as a

whole with general control policies in stabilising property price and market demand. On the financial market, the Group expects the Central Government will continue to strengthen its various measures to deleverage financial risk and tax and fee reduction policies so as to sustain a steady economic growth rate.

The Group's Financial Services Sector will be keen on maintaining a cautious and proactive approach regarding the credit control of its margin financing business. The Group shall also continue to enhance its online trading platform, and widen its product scope and customer base to cope with market situation. Benefited from experienced expertise and sound reputation in the industry, together with the synergies brought forward by the full range of financial services offered by the Group including brokerage, asset management, financial advisory and IPO sponsorships, the Group will continue to enhance its service and strengthen its business platform for further development.

Regarding the Medical and Healthcare Sector, the Group is confident on the development of private healthcare services in Hong Kong in view of the tight resource allocated to public healthcare services and the increasing health consciousness of people. The Group aims to collaborate with more corporate clients by offering comprehensive healthcare solutions, and expand its scope of services to facilitate the market demand and resort to innovative technologies, such as mobile booking and tele-medicine, in order to provide high quality and comprehensive services to the community with greater conveniences. It has always been the Group's focus to strike a reasonable balance between the needs for near-term returns and long-term development, as well as the expectations of its customers and shareholders. Apart from operating the Group's financial services business, the Group shall have the new medical centre as its new key profit generator in future.

The Group will also consistently push forward its existing investment strategy, with focus on healthcare sector, to further expand its Direct Investment business. The Group will also continue to seek future opportunities to enlarge its presence in industries with advantage synergies aiming to optimize returns to the Company and its shareholders.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the Group in the PRC as at 31 July 2019.*



16<sup>th</sup> Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

23 September 2019

The Directors  
First Shanghai Investments Limited  
19th Floor, Wing On House  
No. 71 Des Voeux Road Central  
Central  
Hong Kong

**Re: Office portions and car parking portions of Fuhai Business Park (Phase 3), No. 289 Bisheng Road, Pudong District, Shanghai, the PRC.**

**Instructions, Purpose & Valuation Date**

We refer to the instruction of First Shanghai Investments Limited (the “**Company**”) for Cushman & Wakefield Limited (“**C&W**”) to prepare market valuation of the property in which the Company and/or its subsidiaries (together referred to as the “**Group**”) have interests in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the value of the property as at 31 July 2019 (the “**valuation date**”).

**Valuation Basis**

Our valuation of the property represents its market value which in accordance with The HKIS Valuation Standards 2017 Edition issued by The Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We confirm that the valuation is undertaken in accordance with The HKIS Valuation Standards 2017 Edition issued by The Hong Kong Institute of Surveyors.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules governing the Listing of Securities published by the Stock Exchange of the Hong Kong Limited.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Our valuation of the property is on an entirety interest basis.

**Valuation Assumptions**

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the property, we have relied on the information and advice given by the Company's legal adviser, Thinkoo Law Firm, regarding the titles to the property and the interests of the Company in the property in the PRC. Unless otherwise stated in the respective legal opinion, in valuing the property, we have assumed that the Group has an enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the property situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the respective valuation report. We have assumed that all consents, approvals and licences from relevant government authorities for the developments have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the property is in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

**Method of Valuation**

In valuing the property, we have used Investment Method by capitalising the rental income derived from the existing tenancies, if any, with due provision for the reversionary potential. Transactions involving large scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as the investment property portions generate rental income from letting arrangements and such rental comparables are more readily available, we consider the Investment Method, which is also commonly used in valuing properties for investment purpose, to be the best method to value these property portions.

When using Investment Method, we have mainly made reference to lettings within the subject property as well as other relevant comparable rental evidences of property of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors.

The capitalisation rates adopted in our valuation are based on our analyses of the yields of property of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable property of similar use type, which implicitly reflect the type and quality of the property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

**Source of Information**

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, Thinkoo Law Firm regarding the title to the property and the interests of the Group in the property. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, tenancy details, site and floor areas, site and floor plans, completion date of buildings, number of parking spaces, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information provided to us.

**Title Investigation**

We have been provided with copies of the title documents relating to the property but have not carried out any land title searches. Moreover, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the property in the PRC and we have therefore relied on the advice given by the Company regarding its interests in the property.

**Site Inspection**

Ms. Sherry Shi of our Shanghai Office who is Registered China Real Estate Appraiser, inspected the exterior and, where possible, the interior of the property on 23 August 2019. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation or other structural defects. No test was carried out on any of the services. Our valuation is prepared on the assumption that these aspects are satisfactory.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct.

**Currency**

Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi (“**RMB**”), the official currency of the PRC.

**Confirmation of Independence**

We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

**Intended Use and User of Report**

This valuation report is issued only for the use of the Company for incorporating into its circular.

We enclose herewith our valuation report for your attention.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**  
**Grace S.M. Lam**

*MRICS, MHKIS, RPS(GP)*

*Director*

Valuation & Advisory Services, Greater China

*Note:* Grace S.M. Lam is a member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyor and Registered Professional Surveyor (General Practice). Ms. Lam has over 25 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

## VALUATION REPORT

## Property held by the Group for sale

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2019												
Office portions and car parking portions of Fuhai Business Park (Phase 3), No. 289 Bisheng Road, Pudong District, Shanghai, the PRC	<p>The property comprises 8 office blocks (namely Block Nos. 1 to 8) and car parking portions of an office development known as “Fuhai Business Park” which was completed in about 2006.</p> <p>The property has a total gross floor area of 28,775.15 sq m.</p> <table border="1"> <thead> <tr> <th><u>Use</u></th> <th><u>Gross Floor Area</u></th> </tr> <tr> <td></td> <td style="text-align: right;"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td>Office</td> <td style="text-align: right;">25,298.43</td> </tr> <tr> <td>Car parking space</td> <td style="text-align: right;">2,810.64</td> </tr> <tr> <td>Air-raid shelter</td> <td style="text-align: right;">666.08</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>28,775.15</u></td> </tr> </tbody> </table> <p>The property is located in sub urban area of Pudong District. Developments nearby is mainly research office and industrial in nature. According to information provided by the Group, the property is for office use.</p> <p>The land use rights of the property have been granted for a term due to expire on 27 May 2051 for research, development and educational uses.</p>	<u>Use</u>	<u>Gross Floor Area</u>		<i>(sq m)</i>	Office	25,298.43	Car parking space	2,810.64	Air-raid shelter	666.08	Total:	<u>28,775.15</u>	<p>As at the valuation date, office portions of the property with a total gross floor area of approximately 19,180 sq.m. were subject to various tenancies for various terms with the latest expiry date in July 2022 at a total monthly rent of approximately RMB1,740,000.</p> <p>The remaining portion of the property was vacant.</p>	<p>RMB436,000,000 (RENMINBI FOUR HUNDRED THIRTY SIX MILLION)</p>
<u>Use</u>	<u>Gross Floor Area</u>														
	<i>(sq m)</i>														
Office	25,298.43														
Car parking space	2,810.64														
Air-raid shelter	666.08														
Total:	<u>28,775.15</u>														

## Notes:-

- (1) Pursuant to Shanghai Certificate of Real Estate Ownership No. (2011)035185 issued by the Shanghai Housing and Land Resources Administration Bureau on 9 June 2011, the land use rights and the building ownership of portions of the subject development with a site area of 22,751 sq m and a total gross floor area of 28,109.07 sq m have been vested in 上海張江信息安全產業發展有限公司 (Shanghai Zhangjiang Property Development Company Limited).

Pursuant to Shanghai Certificate of Real Estate Ownership No. (2011) 035186 issued by the Shanghai Housing and Land Resources Administration Bureau on 9 June 2011, the land use rights and the building ownership of the air-raid shelter of the subject development with a site area of 22,751 sq m and a total gross floor area of 666.08 sq m have been vested in Shanghai Zhangjiang Property Development Company Limited.

- (2) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser which contains, inter-alia, the following information:-



- (a) Shanghai Zhangjiang Property Development Company Limited is the sole legal owner of the property; and
- (b) Shanghai Zhangjiang Property Development Company Limited has the right to freely transfer, lease, mortgage or dispose of the real estate ownership of the property.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the interests of each Directors and chief executive in the Shares and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register of members required to be kept by the Company; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in respect of the Company:

Directors		Number of Shares and underlying Shares held			% of issued share capital of the Company
		Personal interests	Corporate interests	Total	
Mr. LO Yuen Yat ( <i>Note</i> )	Long position	97,885,636	321,506,500	419,392,136	29.56%
Mr. YEUNG Wai Kin	Long position	11,872,304	–	11,872,304	0.84%
Mr. ZHOU Xiaohe	Long position	160,000	–	160,000	0.01%

*Note:*

72,952,000 shares, 248,338,500 shares and 216,000 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 40% 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.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**3. DIRECTORS' SERVICE CONTRACTS**

Each of the non-executive Directors of the Company has entered into a service contract with the Company for a term of two years, subject to his re-appointment by the Company at its general meeting upon retirement by rotation pursuant to the Articles.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND COMPETING BUSINESS**

As at the Latest Practicable Date,

- (i) none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, apart from the service contracts of the non-executive Directors as disclosed above;
- (ii) none of the Directors and his/her respective close associates had any competing interests (as would be required to disclose under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder); and
- (iii) none of the Directors had any direct or indirect interest in any assets which had been, since the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

**6. MATERIAL CONTRACTS**

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) the Agreement.

## 7. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as is known to the Board, the Group was involved in the following material litigations, claims or contingent liabilities:

- (a) IMC (Hong Kong) Management Services Limited was claimed by some former business associates for an aggregate amount of approximately HK\$7.4 million in relation to certain payments and compensations after termination of their services with the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the member of the Group is engaged in any litigation or claim of material importance, and so far as the Board is aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

## 8. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualifications of the experts who have given opinions or advice contained or referred to in this circular:

<b>Name</b>	<b>Qualifications</b>
Cushman & Wakefield Limited (“ <b>C&amp;W</b> ”)	Professional property valuer
Thinkoo Law Firm (“ <b>Thinkoo</b> ”)	PRC legal adviser

C&W and Thinkoo have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters and references to their name in the form and context in which they respectively appear.

As at the Latest Practicable Date, C&W and Thinkoo had no interest, direct or indirect, in any member of the Group nor the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, C&W and Thinkoo had no interest, direct or indirect, in any assets which had been, since the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

## 9. MISCELLANEOUS

- (a) The registered office of the Company is situated at Room 1903, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (b) The Company’s principal place of business in Hong Kong is 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong.

- (c) The secretary of the Company is Mr. Yeung Wai Kin, a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the head office of the Company in Hong Kong at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong during normal business hours on any weekdays (except public holidays) from the date of this circular up to and including the date of the EGM:

- (a) the Articles;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2016, 2017 and 2018;
- (c) the interim report of the Company for the six months ended 30 June 2019;
- (d) the Agreement;
- (e) the property valuation report prepared and issued by Cushman and Wakefield, the full text of which is set out in the appendix II to this circular;
- (f) the service contracts of the non-executive Directors with the Company referred to in the paragraph headed “Directors’ Service Contracts” in this appendix;
- (g) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (h) the written consents of the experts referred to in the paragraph headed “Qualifications and Consents of Experts” in this appendix; and
- (i) this circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### FIRST SHANGHAI INVESTMENTS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 227)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of First Shanghai Investments Limited (the “**Company**”) will be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong at 3:00 p.m. on Tuesday, 15 October 2019 for the purposes of considering and, if thought fit, passing the following ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the execution, delivery and performance of the sale and purchase agreement dated 26 August 2019 entered into, among others, Leader Capital Investments Limited and 上海張江(集團)有限公司 (Shanghai Zhangjiang (Group) Company Limited) (the “**Agreement**”) (a copy of the Agreement has been produced to the meeting and marked “A” and initiated by the chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised to sign, agree, ratify, perfect, execute or deliver (including under seal where applicable) such documents and to do or authorise doing all such acts and things incidental to the Agreement and the transactions contemplated thereunder as he may in his absolute discretion consider necessary, desirable or expedient and in the best interests of the Company in connection with the implementation of, giving effect to or completion of the Agreement and the transactions contemplated thereunder.”

By order of the Board  
**First Shanghai Investments Limited**  
**YEUNG Wai Kin**  
*Executive Director and Company Secretary*

Hong Kong, 23 September 2019

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered office:*

Room 1903, Wing On House  
71 Des Voeux Road Central  
Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's registered office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, **not less than 48 hours** before the time for holding the meeting or adjourned meeting.
- (2) The register of members of the Company will be closed from Thursday, 10 October 2019 to Tuesday, 15 October 2019, both days inclusive, during which period no transfer of Share will be effected. In order to determine the entitlement to attend and vote at the EGM, all Share transfers accompanied by the relevant Share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 9 October 2019.