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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

(the “Company”)

DISCLOSEABLE TRANSACTION

The Vendor, a wholly owned subsidiary of the Company, entered into an agreement on 31st August, 2009 for the disposal of the entire issued share capital of, and the benefit of loans of US\$10 million advanced to, Wise Corporate to the Purchaser for an aggregate cash consideration of HK\$108 million.

The Purchaser is not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

The agreement constituted a discloseable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AGREEMENT DATED 31ST AUGUST, 2009

Parties:

Vendor: First Shanghai Properties Limited (the “Vendor”), a wholly owned subsidiary of the Company

Purchaser: Allied China Capital Limited (the “Purchaser”)

Assets disposed:

1 share of US\$1 of Wise Corporate Group Limited (“Wise Corporate”), representing its entire issued share capital, and the benefit of loans of US\$10 million advanced to Wise Corporate.

Wise Corporate is a company incorporated in the British Virgin Island on 8th March, 2005. It is principally engaged in investment holding and is the owner of the entire equity interest of 第一上海置業（昆山）有限公司 (First Shanghai Assets (Kunshan) Company Limited) (“Kunshan Co”), a wholly foreign owned enterprise established in Kunshan, Jiangsu Province, the People’s Republic of China (the “PRC”) on 7th February, 2006. Kunshan Co has a registered capital of US\$10 million and has interests in two pieces of land located at HuaQiao Town, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市花橋鎮) (the “Properties”). For the two years ended 31st December, 2007 and 31st December, 2008, the net losses of Wise Corporate and Kunshan Co (the “Wise Corporate Group”) were about HK\$0.7 million and HK\$1.6 million respectively.

The assets to be disposed of had a net asset value of about HK\$74.8 million as at 30th June, 2009.

After the disposal, the Company will cease to have any shareholding in the Wise Corporate Group.

Consideration:

HK\$108 million in cash

The consideration was arrived at after arm’s length negotiations between the Purchaser and the Company and with reference to the market value of the Properties.

The directors of the Company consider that the terms of disposal are based on normal commercial terms, fair and reasonable and in the interests of the shareholders as a whole.

Completion date:

The disposal has been duly completed on 31st August, 2009.

Payment terms:

The entire consideration has been paid in cash on completion.

Use of proceeds:

The proceeds of the disposal will be used as additional working capital.

REASONS FOR THE TRANSACTION

The directors of the Company consider that the disposal provides an opportunity for the Company to realise its investment with satisfactory return. There is a gain of about HK\$33.2 million over the net asset value arising on the disposal.

CONNECTION BETWEEN THE PARTIES

The Purchaser is wholly owned by Mr. Lau Lap Tak. The Company confirms that, to the best of the directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its beneficial owner are independent third parties not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

INFORMATION FOR SHAREHOLDERS

The Company, its subsidiaries, associated companies and jointly controlled entities are principally engaged in securities investment, corporate finance and stockbroking, property development, property investment and hotel operation, and direct investment and management.

The beneficial owner of the Purchaser is principally engaged in property and securities investments.

For the Company, the disposal is a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
First Shanghai Investments Limited
Lao Yuan-Yi
Chairman

Hong Kong, 31st August, 2009

As at the date of this announcement, the executive directors of the Company are Mr. Lao Yuan-Yi, Mr. Xin Shulin and Mr. Yeung Wai Kin, the non-executive director is Mr. Kwok Lam Kwong Larry, B.S.S., J.P., and the independent non-executive directors are Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qi-Hao and Mr. Zhou Xiaohe.