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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 227)

DISCLOSEABLE TRANSACTION

The Company announces that FSPU has decided not to proceed with the Acquisition. FSPU has given written notification to the Shenyang Exchange for, inter alia, the refund of the Deposit in full. The Company and SED shall proceed with the voluntary liquidation of FSPU upon return of the deposit from the Shenyang Exchange.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the Company's announcement dated 1st November, 2007 ("Announcement") and circular dated 21st November, 2007 ("Circular"). Terms used herein shall have the same meanings as ascribed in the Announcement and the Circular.

In the Announcement and the Circular, it was stated that the Company was to acquire 50% interest in FSPU, which was set up for the purpose of the Acquisition of SHSG, a state owned enterprise with subsidiaries engaged in, inter alia, the provision of piped heat supply in Shenyang. A deposit of US\$ 13 million was paid by each of the Company and SED (the holder of the remaining 50% interest of FSPU) separately to the Shenyang Exchange.

The Company announces that FSPU has decided not to proceed with the Acquisition as the parties are unable to conclude the terms related to the transaction. FSPU has given written notification to the Shenyang Exchange for, inter alia, the refund of the deposit in full. The Company and SED shall proceed with the voluntary liquidation of FSPU upon return of the deposit from the Shenyang Exchange. Such events are not expected to have any material adverse impact of the business of the Company.

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

Hong Kong, 11th September, 2008

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 JP and the independent non-executive directors are Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qi-Hao and Mr. Zhou Xiaohe.