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

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, 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 and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FIRST SHANGHAI INVESTMENTS LIMITED**

**第一上海投資有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 227)**

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of First Shanghai Investments Limited to be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Friday, 31st May, 2019 at 3:00 p.m. is set out on pages 8 to 10 of this circular. A form of proxy is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at Room 1903, Wing On House, 71 Des Voeux Road Central, Hong Kong as soon as possible but in any event **not less than 48 hours** before the time appointed for holding the AGM (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person if you so wish.

29th April, 2019



**FIRST SHANGHAI INVESTMENTS LIMITED**

**第一上海投資有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 227)**

*Directors:*

Mr. Lo Yuen Yat (*Chairman*)  
Mr. Xin Shulin  
Mr. Yeung Wai Kin  
Mr. Kwok Lam Kwong, Larry, *S.B.S., J.P.\**  
Prof. Woo Chia-Wei\*\*  
Mr. Liu Ji\*\*  
Mr. Yu Qihao\*\*  
Mr. Zhou Xiaohe\*\*

*Registered Office:*

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

\* *Non-executive director*

\*\* *Independent non-executive directors*

29th April, 2019

*To the shareholders*

Dear Sir or Madam,

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the annual general meeting of First Shanghai Investments Limited (the “**Company**”) for the year ended 31st December, 2018, resolutions will be proposed to grant to the directors of the Company general mandates to issue and repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31st December, 2018 (the “**AGM**”). In compliance with the Listing Rules of The Stock Exchange

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## LETTER FROM THE BOARD

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of Hong Kong Limited (the “**Stock Exchange**”), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares, together with particulars of the directors proposed to be re-elected at the AGM.

### **GENERAL MANDATE TO ISSUE SHARES**

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and deal with additional shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. On 23rd April, 2019 (the “**Latest Practicable Date**”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 1,418,973,012 shares in the Company (“**Shares**”). On the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 283,794,602 Shares being issued by the Company.

In addition, an ordinary resolution will also be proposed to authorise an extension of this mandate by adding thereto any Shares repurchased under the general mandate to repurchase shares.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. Based on 1,418,973,012 Shares in issue as at the Latest Practicable Date and on the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 141,897,301 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only up to the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company, whichever occurs first.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31st December, 2018 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

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## LETTER FROM THE BOARD

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The Company is empowered by the Articles of Association to purchase its Shares. Hong Kong law provides that payment in connection with a share repurchase may only be paid out of distributable profits or the proceeds of a fresh issue of shares. Under Hong Kong law, the shares so repurchased will be treated as cancelled.

The directors intend to apply the profits that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

### **Directors, their associates and connected persons**

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

### **Undertaking of the directors**

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of the Hong Kong, and in accordance with the regulations set out in the Articles of Association of the Company.

### **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Lo Yuen Yat (“**Mr. Lo**”), who held approximately 29.56 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholdings of Mr. Lo in the Company would be increased to approximately 32.84 per cent. of the issued share capital of the Company and such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Code if the Securities and Futures Commission rules that they are parties acting in concert under the Code. The directors have no intention to exercise the repurchase mandate to such an extent which would trigger a mandatory offer under Rule 26 of the Code.

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## LETTER FROM THE BOARD

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### Stock Exchange Rules for repurchases of shares

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

*(a) Shareholders' approval*

The Listing Rules of the Stock Exchange provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

*(b) Source of funds*

Repurchases must be funded out of funds legally available for the purpose.

### General

During each of the six months preceding the date of this circular, no Share had been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
<b>2018</b>		
April	0.88	0.76
May	0.83	0.76
June	0.79	0.56
July	0.60	0.52
August	0.55	0.49
September	0.52	0.44
October	0.48	0.39
November	0.48	0.43
December	0.47	0.41
<b>2019</b>		
January	0.47	0.41
February	0.72	0.45
March	0.74	0.59
April (up to the Latest Practicable Date)	0.68	0.61

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

You will find on pages 8 to 10 of this circular a notice of the AGM to be held at 3:00 p.m. on Friday, 31st May, 2019 at 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company not exceeding 20 per cent. of the total number of shares of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the total number of shares of the Company in issue as at the date of the resolution.

Resolution no. 4C will be proposed as an ordinary resolution to extend resolution no. 4A to include the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 4B.

Pursuant to Rule 13.39 of the Listing Rules of the Stock Exchange, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote at the AGM in accordance with Article 60 of the Articles of Association. The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded or required and the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.firstshanghai.com.hk](http://www.firstshanghai.com.hk)).

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon **not less than 48 hours** before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

### RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Yeung Wai Kin, Prof. Woo Chia-Wei and Mr. Yu Qihao as directors according to the Company's Articles of Association. Their particulars are as follows (with age in brackets):

**Mr. YEUNG Wai Kin (57).** Appointed as Director of the Company in 1998. Mr. Yeung is also Chief Financial Officer and Company Secretary of the Company. He joined the Company in 1993 and has over 30 years experience in auditing, finance and management positions. Mr. Yeung possesses professional membership of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. He has a bachelor's degree in law from Peking University.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Yeung was interested in 11,872,304 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). He has a service contract with the Company which does not have any specific length of service in respect of his appointment. He is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Yeung is entitled to a fixed monthly salary of HK\$236,800 which was determined with reference to his qualification, experience and responsibilities and a discretionary bonus to be decided by the board of directors of the Company with reference to the operating results of the Group and the performance of Mr. Yeung in the relevant financial year. The total amount of emoluments for the year ended 31st December, 2018 received by Mr. Yeung is set out in note 12 to the consolidated financial statements of the Company’s annual report 2018.

**Professor WOO Chia-Wei** (81). Appointed as Independent Non-executive Director of the Company in 1993. Prof. Woo is currently Senior Advisor to Shui On Holdings Limited, and President Emeritus of the Hong Kong University of Science and Technology. Previously he was President, Provost, Department Chairman, and Professor of several prominent universities in the United States of America. He is also an independent non-executive director of Shanghai Industrial Holdings Limited.

As at the Latest Practicable Date, Prof. Woo did not have any interest in Shares of the Company within the meaning of Part XV of the SFO. There is no fixed term to the service contract of Prof. Woo and the Company but pursuant to a letter of the Company dated 17th April 2018 in respect of the renewal of appointment, the term of appointment as director will expire on the coming AGM, during which his directorship will be subject to re-election for another term of not more than three years. He is entitled to a director’s fee of HK\$264,000 per annum and a further fee of HK\$30,000 per annum for being a member of the audit committee of the Company, such fee being determined by reference to the market range for the position and is subject to review by the Board from time to time.

**Mr. YU Qihao** (72). Appointed as Independent Non-Executive Director of the Company in 2005. Mr. Yu is a certified public accountant, PRC. He graduated from Shanghai University of Finance and Economics. From 1981 to 1991, Mr. Yu worked as a certified public accountant in an accounting firm in Shanghai. From 1992 to 1998, he acted as the assistant president of Shanghai Industrial Investment (Holdings) Company Limited. Mr. Yu also worked as an executive director from 1995 to 1997 and a non-executive director from 1997 to 1998 of Shen Yin Wanguo (H.K.) Limited. During the period from 2001 to 2006, Mr Yu was an advisor of Deloitte Touche Tohmatsu CPA Ltd in Shanghai.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Mr. Yu did not have any interest in Shares of the Company within the meaning of Part XV of the SFO. There is no fixed term to the service contract of Mr. Yu and the Company but pursuant to a letter of the Company dated 12 April 2017 in respect of the renewal of appointment, the term of appointment as director will expire on the coming AGM, during which his directorship will be subject to re-election for another term of not more than three years. He is entitled to a director's fee of HK\$264,000 per annum and a further fee of HK\$30,000 per annum for being a member of the audit committee of the Company, such fee being determined by reference to the market range for the position and is subject to review by the Board from time to time.

### **Independent Non-executive Directors**

Although Prof. Woo Chia-Wei and Mr. Yu Qihao have served as independent non-executive director for more than nine years, they meet the independence factors set out in Rule 3.13 of the Listing Rules and are not involved in the daily management of the Company, nor in any relationships or circumstances which would interfere with the exercise of their independent judgment. In addition, they continue to demonstrate the attributes of independent non-executive director and there is no evidence that their tenure has had any impact on their independence. Taking into account the above, the Board is of the opinion that Prof. Woo and Mr. Yu remain independent notwithstanding the length of his service and it believes that their valuable knowledge and experience in the Group's business and their general business acumen continue to generate significant contribution to the Company.

Save as mentioned above, none of the above directors has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any other matters that need to be brought to the attention of the shareholders of the Company or any other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules of the Stock Exchange.

### **RECOMMENDATION**

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and shareholders as a whole and so recommend you to vote in favour of the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

Yours faithfully,  
By order of the Board  
**FIRST SHANGHAI INVESTMENTS LIMITED**  
**LO Yuen Yat**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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### FIRST SHANGHAI INVESTMENTS LIMITED

第一上海投資有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 227)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the abovenamed company (the “**Company**”) will be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Friday, 31st May, 2019 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor for the year ended 31st December, 2018.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditor and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions:

#### ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent. of the total number of shares of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

**B. “THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the total number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

By order of the Board  
**FIRST SHANGHAI INVESTMENTS LIMITED**  
**YEUNG Wai Kin**  
*Company Secretary*

Hong Kong, 29th April, 2019

*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 or 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 Monday, 27th May, 2019 to Friday, 31st May, 2019, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all Share transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars, 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 Friday, 24h May, 2019.