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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 227)

PROPOSED OPEN OFFER ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY ELEVEN (11) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

PROPOSED OPEN OFFER

The Board proposes to raise approximately HK\$29.6 million before expenses, by way of Open Offer of a maximum of 141,005,031 Offer Shares at the Subscription Price of HK\$0.21 per Offer Share on the basis of one (1) Offer Share for every eleven (11) existing Shares held on the Record Date and payable in full on acceptance. The Open Offer is not underwritten and will not be extended to the Prohibited Shareholder(s), if any.

To qualify for the Open Offer, Shareholders must be registered as members of the Company on the Record Date and Qualifying Shareholders. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar on or before 4:30 p.m. on Wednesday, 8 December 2021, being the Latest Lodging Time.

UNDERTAKINGS FROM THE UNDERTAKING PROVIDERS

Pursuant to the respective Undertakings, each of the Undertaking Providers has irrevocably undertaken to the Company that (i) those Shares registered in the name of and beneficially owned by him or it will remain registered in the name of and beneficially owned by him or it before the date when the announcement of the results of the Open Offer is published; (ii) he or it will accept his or its entitlement under the Open Offer; and (iii) he or it will lodge the Application Form in

respect of his or its assured entitlement accompanied by appropriate remittance which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Save for the Undertakings, the Board has not received any information or irrevocable undertakings from any substantial shareholders of the Company of their intention to take up the securities of the Company to be offered to them under the Open Offer.

LISTING RULES IMPLICATIONS

As the Offer Shares will be issued pursuant to the General Mandate, the Open Offer is not subject to Shareholders' approval under the Listing Rules. The Open Offer will be carried out in compliance with Rule 7.26A(1)(b) of the Listing Rules.

The Open Offer will be made on terms such that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Offer Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Open Offer will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules.

GENERAL

It is expected that the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions of the Open Offer being satisfied and the Prospectus with the Overseas Letter will be despatched to the Prohibited Shareholder(s) (if any) for information only.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

The Open Offer is conditional upon the fulfilment of certain conditions including, among others, the Stock Exchange granting the listing of, and permission to deal in the Offer Shares. Shareholders and potential investors should note that if the conditions to the Open Offer are not fulfilled, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be traded on an ex-entitlement basis commencing from Tuesday, 7 December 2021 in respect of the Open Offer and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or potential investor of the Company dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled will bear the risk that the Open Offer does not become unconditional and does not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED OPEN OFFER

The Board proposes the Open Offer, details of which are summarised as follows:

Issue statistics

Basis of the Open Offer	:	One (1) Offer Share for every eleven (11) existing Shares held on the Record Date
Subscription Price	:	HK\$0.21 per Offer Share
Number of Shares in issue	:	1,551,055,347 Shares as at the date of this announcement
Number of Offer Shares	:	Up to 141,005,031 Offer Shares
Number of Offer Shares undertaken to be taken up by the Undertaking Providers	:	Pursuant to the Undertakings, the Undertaking Providers have irrevocably undertaken to the Company that (i) the 534,697,152 Shares registered in their respective names of and beneficially owned by them will remain registered in the name of and beneficially owned by them before the date when the announcement of the results of the Open Offer is published; (ii) the Undertaking Providers will accept their entitlements under the Open Offer for an aggregate of 48,608,831 Offer Shares; and (iii) the Undertaking Providers will lodge the Application Forms in respect of their assured entitlements accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.
Maximum number of Shares to be in issue upon completion of the Open Offer	:	Up to 1,692,060,378 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Offer Shares) will be allotted and issued on or before completion of the Open Offer)
Maximum funds to be raised before expenses	:	Up to approximately HK\$29.6 million (assuming all the Offer Shares will be fully taken up)

As at the date of this announcement, the Company has no outstanding warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares. The Company has no intention to issue any new Shares and any other securities before the completion of the Open Offer.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Offer Shares) will be allotted and issued on or before completion of the Open Offer, the maximum number of 141,005,031 Offer Shares proposed to be issued pursuant to the terms of the Open Offer represent: (i) approximately 9.09% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 8.33% of the total number of Shares to be in issue as enlarged by the allotment and issue of the Offer Shares (assuming all the Offer Shares will be taken up). The Offer Shares will be issued pursuant to the General Mandate.

Subscription Price

The Subscription Price is HK\$0.21 per Offer Share, payable in full on application of the relevant assured allotment of the Offer Shares. The Subscription Price represents:

- (i) a discount of approximately 17.6% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 16.7% to the benchmarked price of approximately HK\$0.252 per Share (as defined under Rule 13.36(5) of the Listing Rules, taking into account the closing price on the date of this announcement of HK\$0.250 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK\$0.252 per Share);
- (iii) a discount of approximately 16.3% to the theoretical ex-entitlement price of HK\$0.251 per Share based on the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 16.7% to the average closing price of HK\$0.252 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 16.3% to the average closing price of HK\$0.251 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 1.4% (on the Open Offer's own) represented by the theoretical diluted price of approximately HK\$0.249 to the benchmarked price of approximately HK\$0.252 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of this announcement of HK\$0.250 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of approximately HK\$0.252 per Share), and calculated on the basis that the Open Offer will be fully subscribed;

- (vii) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 2.8% (when the Open Offer is aggregated with the Last Open Offer) represented by the cumulative theoretical diluted price of approximately HK\$0.321 to the benchmarked price of approximately HK\$0.330 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the respective closing prices on the respective dates of this announcement and the July Announcement of HK\$0.250 and HK\$0.330 per Share and the respective averages of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement and for the five previous consecutive trading days prior to the date of the July Announcement of approximately HK\$0.252 and HK\$0.329 per Share), and calculated on the basis that the Open Offer will be fully subscribed;
- (viii) a discount of approximately 88.6% to the audited consolidated net asset value per Share of approximately HK\$1.84 (based on the latest published audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$2,605,897,000 and 1,418,973,012 Shares in issue as at 31 December 2020); and
- (ix) a discount of approximately 88.4% to the unaudited consolidated net asset value per Share of approximately HK\$1.81 (based on the latest published unaudited consolidated net asset value of the Group) attributable to the Shareholders of approximately HK\$2,571,040,000 and 1,418,973,012 Shares in issue as at 30 June 2021).

The net Subscription Price per Offer Share (after deducting the relevant expenses) will be approximately HK\$0.20 per Offer Share.

The Subscription Price was determined by the Company with reference to, among other things, (i) the prevailing market price of the Shares; (ii) the prevailing market conditions; (iii) the Group's current financial position; (iv) the uncertain impact of COVID-19 on the business of the Group in the foreseeable future; and (v) the funding and working capital needs of the Group as set out in the paragraph headed "Reasons for the Open Offer and Use of Proceeds" below.

Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders for Subscription and will not be available to the Prohibited Shareholders. The Company will send (i) the Prospectus Documents to Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter, for information only, to the Prohibited Shareholders. No Application Form will be sent to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholder must be registered as a member of the Company on the Record Date and must be a Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant share certificate(s)) with the Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, being the Company's share registrar and transfer office in Hong Kong by 4:30 p.m. on Wednesday, 8 December 2021.

Rights of Overseas Shareholders and Prohibited Shareholders

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation(s) of the relevant overseas place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s). If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place(s) or any requirement of the relevant regulatory body(ies) or stock exchange(s) in that or those place(s), not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. The Offer Shares which would otherwise have been in the assured allotments of the Prohibited Shareholders will be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties. The Company will disclose the results of the enquiry in the Prospectus regarding the legal restrictions on the issue and allotment of Offer Shares to the Overseas Shareholders.

Closure of register of members

The register of members of the Company will be closed from Thursday, 9 December 2021 to Wednesday, 15 December 2021, both days inclusive, to determine the entitlements to the Open Offer. No transfer of Shares will be registered during this period.

Fractions of Offer Shares

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders. No entitlements of the Prohibited Shareholders to the Offer Shares will be issued to the Prohibited Shareholders. The Prohibited Shareholders (which are excluded from the Open Offer) would not have any entitlement under the Open Offer. All such fractional entitlements will be aggregated and integral numbers of the Offer Shares will be placed by the Placing Agent in accordance with the terms and conditions of the Placing Agreement.

Non-underwritten basis

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Offer Shares. The Unsubscribed Shares, if any, will be placed to independent placees under the Unsubscribed Arrangements. Any Unsubscribed Shares not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Open Offer will be reduced accordingly. There are no statutory requirements regarding minimum subscription levels in respect of the Open Offer. There is no minimum amount to be raised under the Open Offer.

As the Open Offer will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the Open Offer may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Open Offer will be made on terms such that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Offer Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Open Offer will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules. Accordingly, in the case of Mr. Lo (being the Chairman and an executive Director of the Company), Kinmoss, New Synergies and China Assets, who and/or which are the controlling shareholders of the Company; and each of Mr. Yeung and Mr. Zhou, the Director, who is presumed to be a party acting in concert until completion of the Open Offer with Mr. Lo and the controlling shareholders of the Company solely by virtue of his capacity as a Director, as their shareholding in the Company in aggregate increased from approximately 32.48% to 34.48% as a result of the Last Open Offer, their shareholding in the Company in aggregate shall remain at approximately 34.48% immediately upon completion of the Open Offer.

No excess application, procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements

Pursuant to Rule 7.26A of the Listing Rules, the Company must make arrangements to dispose of the Offer Shares not validly applied for by means of excess application forms or by offering the same to independent placees for the benefit of those Shareholders.

No excess application under Rule 7.26A(1)(a) of the Listing Rules will be made in relation to the Open Offer as stipulated. However, according to Rule 7.26A(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Shares by offering the Unsubscribed Shares to independent placees for the benefit of the No Action Shareholders and the Prohibited Shareholders.

The Company therefore appointed the Placing Agent by means of the Placing Agreement to place the Unsubscribed Shares after the Latest Time for Acceptance to independent placees on a best effort basis.

Any Unsubscribed Shares (which comprise (i) the Offer Shares that are not subscribed by the Qualifying Shareholders; (ii) the aggregated fractional Offer Shares; and/or (iii) the Offer Shares which would otherwise have been issued to the Prohibited Shareholders) will then be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties.

The Placing Agent will on a best effort basis, procure, by not later than 4:00 p.m., on 6 January 2022, acquirers for all (or as many as possible) of those Unsubscribed Shares at a premium over the Subscription Price (if possible). The Placing Price shall be at least equal to the Subscription Price. Any Unsubscribed Shares remain not placed after completion of the Unsubscribed Arrangements will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

Net Gain, being the premium paid by the placees over the Subscription Price for the Unsubscribed Shares (if any) will be paid (without interest) on a pro-rata basis (on the basis of all Unsubscribed Shares) to the No Action Shareholders and the Prohibited Shareholders (but rounded down to the nearest cent after deduction of a proportionate share of the placing commission payable). It is proposed that only Net Gain to any of the No Action Shareholder(s) and the Prohibited Shareholder(s) of HK\$100 or more will be paid to them in Hong Kong Dollars and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Prohibited Shareholders may or may not receive any Net Gain.

Accordingly, on 19 November 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure independent placees, on a best effort basis, to subscribe for the Unsubscribed Shares. Principal terms of the Placing Agreement are summarised below:

Date : 19 November 2021

- Placing Agent : First Shanghai Securities Limited
- The Placing Agent is a wholly-owned subsidiary of the Company.
- Placing commission : 1.0% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent at the Placing End Date.
- Placing Price : The placing price of each of the Unsubscribed Shares shall be at least equal to the Subscription Price.
- The final price determination depends on the demand and market conditions of the Unsubscribed Shares during the process of placement.
- Placing Period : The period from Wednesday, 5 January 2022 up to 4:00 p.m. on Thursday, 6 January 2022, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.
- Placees : The Unsubscribed Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties.
- Ranking of the Unsubscribed Shares : The Unsubscribed Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of this announcement.
- Termination : If at any time prior to completion of the Unsubscribed Arrangements:
- (i) the Company fails to comply with its obligations under the Placing Agreement; or
 - (ii) it comes to the notice of the Placing Agent that any statement contained in any document issued in connection with the Unsubscribed Arrangements has become or would be untrue, incorrect or misleading in any material respect or would constitute a material omission therefrom; or
 - (iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in any respect by reference to the facts subsisting at the time, and such matter is reasonably considered by the Placing Agent to be material in the context of the Unsubscribed Arrangements then the Placing Agent may in its absolute discretion by giving notice in writing to the Company terminate the Placing Agent's obligation under the Placing Agreement.

In case of force majeure occurring at any time prior to completion of the Unsubscribed Arrangements which renders the Unsubscribed Arrangements impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which will or may be materially prejudicial to the Company or the Unsubscribed Arrangements, then the Placing Agent will consult with the Company but may, in its absolute discretion, by notice in writing to the Company, terminate the Placing Agreement pursuant to the terms therein.

Conditions
Precedent: : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the Listing Committee having granted the listing of, and permission to deal in, the Offer Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the above conditions (other than that set out in paragraph (i) above) by notice in writing to the Company.

Completion : Completion is expected to take place within three (3) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Shares under the Unsubscribed Arrangements and upon fulfilment or waiver (as the case may be) of the conditions to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions by the Placing Long Stop Date. If any of the conditions have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The Placing Agent is a wholly-owned subsidiary of the Company and is not a connected person of the Company as defined under the Listing Rules. Save as disclosed, there is no other arrangement, agreement, understanding or undertaking with the Placing Agent in relation to the Shares.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Shares was determined between the Placing Agent and the Company. Given that the placing commission rate of 1.0% payable to the Placing Agent was determined based on the prevailing market practice, the Company considers it to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the Unsubscribed Arrangements would provide a compensatory mechanism for the No Action Shareholders and the Prohibited Shareholders, the Company considers that the Unsubscribed Arrangements are fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and would provide adequate safeguard to protect the interests of the minority Shareholders.

Application for listing

The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Offer Shares on or before Monday, 10 January 2022 by ordinary post at their own risk.

If the Open Offer is terminated, refund cheques in respect of the applications for Offer Shares are expected to be posted on or before Monday, 10 January 2022 by ordinary post to the applicants at their own risk.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Prohibited Shareholders should note that their shareholdings in the Company will be diluted.

Odd lots trading arrangement and matching services

In order to facilitate the trading of odd lots of new Shares arising from the Open Offer, the Company will appoint a designated broker as matching agent to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 11 January 2022 to 4:00 p.m. on Tuesday, 15 February 2022 (both days inclusive). Any Shareholder who is in any doubt about the odd lots trading arrangement is recommended to consult his/her/its own professional advisers. Further details of the odd lot arrangements will be set out in the Prospectus.

Holders of odd lots of the Shares should note that the matching of sale and purchase of odd lots of the Shares is not guaranteed.

The Undertakings

Pursuant to the Mr. Lo Undertaking, Mr. Lo has irrevocably undertaken to the Company that (i) the 114,461,853 Shares registered in the name of and beneficially owned by Mr. Lo will remain registered in the name of and beneficially owned by Mr. Lo before the date when the announcement of the results of the Open Offer is published; (ii) Mr. Lo will accept his entitlement under the Open Offer for an aggregate of 10,405,623 Offer Shares provided that the total number of Offer Shares to be subscribed by Mr. Lo under the Open Offer will be scaled down to the extent that the percentage shareholding of the Undertaking Providers and Mr. Zhou as a whole in the Company after completion of the Open Offer shall remain unchanged at approximately 34.48% or else it would otherwise trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules; and (iii) Mr. Lo will lodge the Application Form in respect of his assured entitlement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Pursuant to the Kinmoss Undertaking, Kinmoss has irrevocably undertaken to the Company that (i) the 84,580,069 Shares registered in the name of and beneficially owned by Kinmoss will remain registered in the name of and beneficially owned by Kinmoss before the date when the announcement of the results of the Open Offer is published; (ii) Kinmoss will accept its entitlement under the Open Offer for an aggregate of 7,689,097 Offer Shares provided that the total number of Offer Shares to be subscribed by Kinmoss under the Open Offer will be scaled down to the extent that the percentage shareholding of the Undertaking Providers and Mr. Zhou as a whole in the Company after completion of the Open Offer shall remain unchanged at approximately 34.48% or else it would otherwise trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules; and (iii) Kinmoss will lodge the Application Form in respect of its assured entitlement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Pursuant to the New Synergies Undertaking, New Synergies has irrevocably undertaken to the Company that (i) the 250,429 Shares registered in the name of and beneficially owned by New Synergies will remain registered in the name of and beneficially owned by New Synergies before the date when the announcement of the results of the Open Offer is published; (ii) New Synergies will accept its entitlement under the Open Offer for an aggregate of 22,766 Offer Shares provided that the total number of Offer Shares to be subscribed by New Synergies under the Open Offer will be scaled down to the extent that the percentage shareholding of the Undertaking Providers and Mr. Zhou as a whole in the Company after completion of the Open Offer shall remain unchanged at approximately 34.48% or else it would otherwise trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules; and (iii) New Synergies will lodge the Application Form in respect of its assured entitlement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Pursuant to the China Assets Undertaking, China Assets has irrevocably undertaken to the Company that (i) the 321,158,037 Shares registered in the name of and beneficially owned by China Assets will remain registered in the name of and beneficially owned by China Assets before the date when the announcement of the results of the Open Offer is published; (ii) China Assets will accept its entitlement under the Open Offer for an aggregate of 29,196,185 Offer Shares provided that the total number of Offer Shares to be subscribed by China Assets under the Open Offer will be scaled down to the extent that the percentage shareholding of the Undertaking Providers and Mr. Zhou as a whole in the Company after completion of the Open Offer shall remain unchanged at approximately 34.48% or else it would otherwise trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules; and (iii) China Assets will lodge the Application Form in respect of its assured entitlement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Pursuant to the Mr. Yeung Undertaking, Mr. Yeung has irrevocably undertaken to the Company that (i) the 14,246,764 Shares registered in the name of and beneficially owned by Mr. Yeung will remain registered in the name of and beneficially owned by Mr. Yeung before the date when the announcement of the results of the Open Offer is published; (ii) Mr. Yeung will accept his entitlement under the Open Offer for an aggregate of 1,295,160 Offer Shares provided that the total number of Offer Shares to be subscribed by Mr. Yeung under the Open Offer will be scaled down to the extent that the percentage shareholding of the Undertaking Providers and Mr. Zhou as a whole in the Company after completion of the Open Offer shall remain unchanged at approximately 34.48% or else it would otherwise trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules; and (iii) Mr. Yeung will lodge the Application Form in respect of his assured entitlement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Save for the Undertakings as disclosed above, the Board has not received any information or irrevocable undertakings from any Shareholders of their intention to take up the securities of the Company to be offered to them under the Open Offer.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by all Directors (or by their agents duly authorised in writing) and otherwise in compliance with the Listing Rules and the CWUMPO not later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date; and
- (d) compliance with and performance of all undertakings and obligations of the Undertaking Providers with the Undertakings in all material respects.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Open Offer. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Tuesday, 18 January 2022, the Open Offer will not proceed.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

Event	Time and Date
Last day of dealings in Shares on a cum-entitlement basis	Monday, 6 December 2021
First day of dealings in Shares on an ex-entitlement basis	Tuesday, 7 December 2021
Latest Lodging Time	4:30 p.m. on Wednesday, 8 December 2021
Register of members of the Company closed for Open Offer (both days inclusive)	Thursday, 9 December to Wednesday, 15 December 2021
Record Date	Wednesday, 15 December 2021
Register of members of the Company re-opens	Thursday, 16 December 2021
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus and the Overseas Letter only)	Thursday, 16 December 2021
Latest Time for Acceptance	4:00 p.m. on Friday, 31 December 2021
Announcement of the number of the Unsubscribed Shares subject to the Unsubscribed Arrangements	Tuesday, 4 January 2022
Commencement of placing of the Unsubscribed Shares subject to the Unsubscribed Arrangements	Wednesday, 5 January 2022
Placing End Date	4:00 p.m. on Thursday, 6 January 2022
Announcement of allotment results of the Offer Shares to be published on the Stock Exchange	On or before Friday, 7 January 2022
Despatch of share certificates and/or refund cheques (if applicable) for Offer Shares	On or before Monday, 10 January 2022

Dealings in Offer Shares commence 9:00 a.m. on Tuesday, 11 January 2022

All times stated above refer to Hong Kong times.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Effect of bad weather on the Latest Time for Acceptance and payment for the Open Offer

If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, or “extreme conditions” caused by a super typhoon:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 31 December 2021 (being the date of the Latest Time for Acceptance), the latest time of acceptance of and payment for the Offer Shares will not take place at the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same Business Day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 31 December 2021 (being the date of the Latest Time for Acceptance), the latest time of acceptance of and payment for the Offer Shares will not take place at the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Friday, 31 December 2021, the dates mentioned in this section headed “Expected Timetable” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

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

As disclosed in the annual report the Company for the year ended 31 December 2020, the Group recorded a net loss attributable to the Shareholders of approximately HK\$90.3 million for the year ended 31 December 2020 compared to a net profit attributable to the Shareholders of approximately HK\$10.6 million for the year ended 31 December 2019. The net loss was mainly attributable to (i) the decrease in fair value gain on the Group’s investment properties marked to adverse market sentiment on valuation in view of uncertainties on general sales and rental return; (ii) interruptions to the sales and marketing of the Group’s property in Huangshan, Anhui Province, the PRC; (iii)

suspension of hotel and beverage businesses in Wuxi City, Jiangsu Province, the PRC and Paris, France as required by the local governments; and (iv) the drop in demand for the Group's medical and healthcare services, as a result of the COVID-19 pandemic.

In light of the operating and financial performance of the Group for the year ended 31 December 2020, the uncertain impact of the COVID-19 pandemic on the business of the Group in the foreseeable future, and the global and domestic economy which remain sensitive to geopolitical and macroeconomic uncertainties, the Board resolved to undertake the Last Open Offer which was completed on 17 September 2021. The subscription and acceptance results of the Last Open Offer were considered by the Board to be not ideal as the offer shares were substantially under-subscribed and only a small portion of such unsubscribed shares had been placed to an independent placee. Having considered the availability of the General Mandate, the Board considers that it is vital for the Group to have access to additional funding and working capital in order to enhance its financial position so as to maintain its competitiveness in the market.

The maximum gross and net proceeds (after deducting the related expenses) from the Open Offer are currently expected to be approximately HK\$29.6 million and HK\$28.2 million, respectively. The net Subscription Price per Offer Share is expected to be approximately HK\$0.20.

The Company currently intends to apply the net proceeds from the Open Offer primarily for financing the medical and healthcare business and general working capital, particularly, the staff costs and other operating expenses of the stock broking business of the Group. If the net proceeds are more than HK\$16.0 million, the Group will (i) utilise approximately HK\$16.0 million of the proceeds to settle the upcoming rent, staff costs and other operating expenses of the medical centre operated by the Group; and (ii) utilise the remainder of the proceeds for the general working capital, particularly, the staff costs and other operating expenses of the stock broking business of the Group. If the net proceeds are less than HK\$16.0 million, the Group will utilise all of the net proceeds for the upcoming operation needs of the medical centre as aforementioned. All of the net proceeds are expected to be fully utilised by the end of year 2022. The Group will utilise its internal resources to fund the aforesaid plan in case the maximum amount of net proceeds cannot be raised. If there is change in the use of net proceeds from the Open Offer, the Company will disclose the reasons for and details of such change(s) in its annual report for the year ending 31 December 2022.

The Company has considered other fund-raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new Shares and rights issue. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. Placing of new Shares would only be available to certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company.

Although rights issue, as compared to an open offer, can provide an additional option to those Shareholders who do not wish to take up the entitlements by selling their entitled nil-paid rights, rights issue would involve extra administrative work and cost for the preparation, printing, posting and processing of trading arrangements in relation to the nil-paid rights. The Company will also incur additional resources to administer the trading of the nil-paid rights including communication between

the Company and other parties such as the registrar or financial printer. In addition, since the liquidity of the Shares was relatively thin with low average daily trading volume of the Shares over the past six months of 2021 and the subscription and acceptance results of the Last Open Offer were not ideal, there would be high uncertainty of the existence of an active market to trade the nil-paid rights. In view of the above and the loss-making position of the Company for the year ended 31 December 2020, the Board considers raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

The objective of the Open Offer is to enable the Shareholders to maintain their proportionate shareholding interests in the Company should they wish to do so, ensuring stability in the Shareholders' base in the Company, and to participate in the Company's future growth and development. The Board therefore considers, since the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, even without the right to trade their nil-paid rights as in a rights issue, on balance, to conduct an Open Offer instead of a rights issue will be more beneficial to the Company and the Shareholders in the current circumstances.

However, the No Action Shareholders should note that their shareholding interest in the Company will be diluted. The Board has considered that the potential dilution impact on the shareholding interests of the Qualifying Shareholders, which may only happen when the Qualifying Shareholders do not subscribe for their pro-rata Offer Shares, to be acceptable.

Having taken into account the terms and conditions of the Open Offer, the Directors (including the independent non-executive Directors) consider that the Open Offer is fair and reasonable, and in the interests of the Company and the Shareholders as a whole. In addition, the Company is aware that any fund-raising activities by way of issuing securities of the Company will cause potential dilution impact to the shareholding of the existing Shareholders. However, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Prohibited Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

Having considered the above factors, the Directors (including the independent non-executive Directors) consider that the Open Offer is an appropriate method to raise the necessary funding for the Company which will allow the Qualifying Shareholders to have the right to participate in the new share issue to maintain their pro rata shareholdings interest in the Company should they wish to do so and is also in the interest of the Company and Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Open Offer (assuming all Shareholders have taken up all entitled Offer Shares under the Open Offer); (iii) immediately after completion of the Open Offer (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlement under the Open Offer except for the Undertaking Providers pursuant to the Undertakings; and (b) all the Unsubscribed Shares have

been placed to Independent Third Parties under the Unsubscribed Arrangements); and (iv) immediately after completion of the Open Offer (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlements under the Open Offer except for the Undertaking Providers pursuant to the Undertakings and Mr. Zhou; and (b) no Unsubscribed Shares have been placed by the Placing Agent) which is scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules is set out below:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Shareholders have taken up all entitled Offer Shares under the Open Offer)		Immediately after completion of the Open Offer (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlement under the Open Offer except for the Undertaking Providers pursuant to the Undertakings and Mr. Zhou; and (b) no Unsubscribed Shares have been placed by the Placing Agent) which is scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules		Immediately after completion of the Open Offer (assuming (a) no Qualifying Shareholders have taken up any of his/her/its entitlements under the Open Offer except for the Undertaking Providers pursuant to the Undertakings and Mr. Zhou; and (b) no Unsubscribed Shares have been placed by the Placing Agent) which is scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder(s) to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Lo	114,461,853	7.38	124,867,476	7.38	124,867,476	7.38	114,461,853 ^(Note 7)	7.38
Kinmoss ^(Note 1)	84,580,069	5.44	92,269,166	5.44	92,269,166	5.44	84,580,069 ^(Note 7)	5.44
New Synergies ^(Note 2)	250,429	0.02	273,195	0.02	273,195	0.02	250,429 ^(Note 7)	0.02
China Assets ^(Note 3)	321,158,037	20.71	350,354,222	20.71	350,354,222	20.71	321,158,037 ^(Note 7)	20.71
Mr. Yeung ^(Note 4)	14,246,764	0.92	15,541,924	0.92	15,541,924	0.92	14,246,764 ^(Note 7)	0.92
The Undertaking Providers	534,697,152	34.47	583,305,983	34.47	583,305,983	34.47	534,697,152 ^(Note 7)	34.47
Mr. Zhou ^(Note 5)	160,000	0.01	174,545	0.01	160,000	0.01	160,000 ^(Note 7)	0.01
Sub-total	534,857,152	34.48	583,480,528	34.48	583,465,983	34.48	534,857,152 ^(Note 7)	34.48
Independent placees	-	-	-	-	92,396,200	5.46	-	-
Public Shareholders	1,016,198,195	65.52	1,108,579,850	65.52	1,016,198,195	60.06	1,016,198,195	65.52
Total	1,551,055,347	100.00	1,692,060,378	100.00	1,692,060,378	100.00	1,551,055,347	100.00

Notes:

1. Kinmoss is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Lo. Under the SFO, Mr. Lo is deemed to be interested in 84,580,069 Shares owned by Kinmoss.

2. New Synergies is an investment holding company incorporated in Hong Kong with limited liability, the issued share capital of which is wholly and beneficially owned as to 40% by Mr. Lo. Under the SFO, Mr. Lo is deemed to be interested in 250,429 Shares owned by New Synergies and the 321,158,037 Shares owned by China Assets.
3. China Assets is an investment holding company incorporated in Hong Kong with limited liability, the entire issued share capital of which is wholly and beneficially owned by New Synergies. Under the SFO, New Synergies is deemed to be interested in the 321,158,037 Shares owned by China Assets.
4. Mr. Yeung is an executive Director, the chief financial officer and company secretary of the Company. Mr. Yeung, by virtue of his capacity as the Director, is presumed to be a party acting in concert with Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Zhou until completion of the Open Offer.
5. Mr. Zhou is an independent non-executive Director. Mr. Zhou, by virtue of his capacity as the Director, is presumed to be a party acting in concert with Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Yeung until completion of the Open Offer.
6. As at the date of this announcement, save as disclosed above, none of the Directors hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company.
7. The percentage shareholding of the Undertaking Providers and Mr. Zhou in aggregate had been increased from 32.48% to 34.48% as a result of the Last Open Offer. Any further increase in their aggregate percentage shareholding will give rise to an obligation on the part of the Undertaking Providers to make a general offer under the Takeovers Code. Accordingly, no Offer Share shall be issued under this scenario.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the Company's announcement dated 17 September 2021, the net proceeds of the Last Open Offer amounted to approximately HK\$34.3 million had been and will be fully utilised for financing the medical and healthcare business of the Group.

Save for the Last Open Offer, the Company has not conducted any equity fund raising activity in the past twelve months before the date of this announcement.

LISTING RULES IMPLICATIONS

As the Offer Shares will be issued under the General Mandate, the Open Offer is not subject to Shareholders' approval under the Listing Rules. Up to the date of this announcement, 132,082,335 Shares had been issued under the General Mandate for the Last Open Offer. In the event that the maximum number of the Offer Shares, i.e. 141,005,031 Offer Shares, is allotted and issued, approximately 96.23% of the General Mandate will be utilised. The Open Offer will be carried out in compliance with Rule 7.26A(1)(b) of the Listing Rules.

GENERAL

It is expected that the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions of the Open Offer being satisfied and the Prospectus with the Overseas Letter will be despatched to the Prohibited Shareholder(s) (if any) for information only.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

The Open Offer is conditional upon the fulfilment of certain conditions including, among others, the Stock Exchange granting the listing of, and permission to deal in the Offer Shares. Shareholders and potential investors should note that if the conditions to the Open Offer are not fulfilled, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be traded on an ex-entitlement basis commencing from Tuesday, 7 December 2021 in respect of the Open Offer and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or potential investor of the Company dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled will bear the risk that the Open Offer does not become unconditional and does not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the form(s) of application to be issued to the Qualifying Shareholders to apply for the Offer Shares for their assured entitlement under the Open Offer
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Assets”	China Assets (Holdings) Limited, a company incorporated in Hong Kong with limited liability whose entire issued share capital is owned by New Synergies, being a Shareholder holding 321,158,037 Shares as at the date of this announcement
“China Assets Undertaking”	the irrevocable undertaking given by China Assets in favour of the Company
“Company”	First Shanghai Investments Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 227)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors to issue not more than 283,794,602 Shares at the annual general meeting of the Company held on 28 May 2021
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person(s) who is/are independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“July Announcement”	the announcement of the Company dated 23 July 2021 in respect of the Last Open Offer
“Kinmoss Undertaking”	the irrevocable undertaking given by Kinmoss in favour of the Company

“Kinmoss”	Kinmoss Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability whose entire issued share capital is owned by Mr. Lo, being a Shareholder holding 84,580,069 Shares as at the date of this announcement
“Last Open Offer”	the open offer undertaken by the Company by means of the prospectus dated 21 August 2021, pursuant to which a total of 132,082,335 Shares were issued under the General Mandate and net proceeds of approximately HK\$34.3 million were raised
“Last Trading Day”	18 November 2021, being the last trading day of the Shares immediately prior to the date of release of this announcement
“Latest Lodging Time”	4:30 p.m. on Wednesday, 8 December 2021 or such other date and/or time as the Company may determine as the latest time for lodging transfer of Shares in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on Friday, 31 December 2021 or such other date and/or time as the Company may determine as the latest time for acceptance of, and payment for, the Offer Shares under the Open Offer
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Yuen Yat, the Chairman and an executive Director and as at the date of this announcement a Shareholder directly holding 114,461,853 Shares who is also deemed to be interested in (a) 84,580,069 Shares owned by Kinmoss; (b) 250,429 Shares owned by New Synergies; and (c) 321,158,037 Shares owned by China Assets
“Mr. Lo Undertaking”	the irrevocable undertaking given by Mr. Lo in favour of the Company
“Mr. Yeung”	Mr. Yeung Wai Kin, an executive Director, the chief financial officer and company secretary of the Company and a Shareholder holding 14,246,764 Shares as at the date of this announcement
“Mr. Yeung Undertaking”	the irrevocable undertaking given by Mr. Yeung in favour of the Company

“Mr. Zhou”	Mr. Zhou Xiaohe, an independent non-executive Director and a Shareholder holding 160,000 Shares as at the date of this announcement
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Unsubscribed Shares placed by the Placing Agent under the Unsubscribed Arrangements (after deduction of a proportionate share of the placing commission payable)
“New Synergies”	New Synergies Investments Company Limited, a company incorporated in Hong Kong with limited liability whose issued share capital is owned as to 40% by Mr. Lo, being a Shareholder holding 250,429 Shares as at the date of this announcement
“New Synergies Undertaking”	the irrevocable undertaking given by New Synergies in favour of the Company
“No Action Shareholders”	Qualifying Shareholders who do not subscribe for the Offer Shares (whether partially or fully) in their assured entitlements
“Offer Share(s)”	up to 141,005,031 new Share(s), proposed to be offered to the Qualifying Shareholders for subscription under the Open Offer on the terms and subject to the conditions set out in the Prospectus
“Open Offer”	the proposed issue of the Offer Shares by way of open offer at the Subscription Price to be made by the Company to the Qualifying Shareholders on the basis of one (1) Offer Share for every eleven (11) Shares held on the Record Date in accordance with the terms and conditions set out in the Prospectus
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“Placing Agent”	First Shanghai Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, being a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 19 November 2021 and entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure places on a best effort basis to subscribe for the Unsubscribed Shares
“Placing End Date”	6 January 2022, or such other date as may be agreed between the Company and the Placing Agent as the latest date for acceptance of, and payment for, the Unsubscribed Shares under the Placing Agreement
“Placing Long Stop Date”	the day falling two months after the date of the Placing Agreement (or such later date as may be agreed between the Placing Agent and the Company in writing)
“Placing Period”	5 January 2022 to 6 January 2022, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	the placing price of the Unsubscribed Share(s) pursuant to the Placing Agreement, being at least equal to the Subscription Price
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prohibited Shareholders”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Forms to be used by the Qualifying Shareholders to apply for the Offer Shares
“Prospectus Posting Date”	16 December 2021 or such other date as may be determined by the Company for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Prohibited Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date

“Record Date”	15 December 2021 or such other date as may be determined by the Company, being the date by reference to which entitlements to the Open Offer are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the Company’s share registrar and transfer office in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.21 per Offer Share
“substantial shareholder(s)”	has the meaning ascribed to it/them under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertaking Providers”	Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Yeung
“Undertakings”	collectively, Mr. Lo Undertaking, Kinmoss Undertaking, New Synergies Undertaking, China Assets Undertaking and Mr. Yeung Undertaking
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Shares by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are Independent Third Parties pursuant to Rule 7.26A(1)(b) of the Listing Rules
“Unsubscribed Share(s)”	the Offer Share(s) that are not subscribed by the Qualifying Shareholders, the aggregated fractional Offer Shares and the Offer Shares which would otherwise have been allotted to the Prohibited Shareholders (as the case may be)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“%”

per cent.

By order of the Board
First Shanghai Investments Limited
YEUNG Wai Kin
Executive Director

Hong Kong, 19 November 2021

As at the date of this announcement, the Board comprises four executive Directors, being Mr. LO Yuen Yat, Mr. XIN Shulin, Mr. YEUNG Wai Kin and Ms. LAO Yuanyuan, one non-executive Director, Mr. KWOK Lam Kwong, Larry, S.B.S., J.P. and four independent non-executive Directors, being Prof. WOO Chia-Wei, Mr. LIU Ji, Mr. YU Qihao and Mr. ZHOU Xiaohe.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.