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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

PROFIT WARNING

This announcement is made by First Shanghai Investments Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform its shareholders and potential investors that the Group is expected to incur a loss attributable to shareholders of the Company not less than HK\$120 million for the year ended 31 December 2021, as compared to the loss of HK\$90 million for the year 2020. Such expected loss is primarily attributable to (a) the provision made amounting to approximately HK\$37 million, in relation to settlement of the litigation claim on certain construction costs of the property development project in Wuxi which was disclosed as contingent liabilities in previous years; (b) accounting for fair value losses on investment properties held in Wuxi and Huangshan due to negative market outlook on future sales and rental return of these properties amounting to approximately HK\$27 million; and (c) further impairment provision made on non-current assets of the non-performing medical and healthcare segment.

Although significant consolidated loss of the Group may be resulted, except for the loss on the litigation claim as mentioned above, significant losses were derived from non-cash items. The Board believes that this will not have any material adverse impact on the financial position of the Group.

The Company is still in the process of finalizing the results for the year ended 31 December 2021. The information contained in this announcement is only based on the Board’s preliminary assessment of the consolidated management accounts of the Group which have not been audited nor reviewed by the Company’s auditor. Shareholders of the Company and potential investors should read carefully the results announcement of the Company for the year ended 31 December 2021, which is expected to be published before 31 March 2022.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
First Shanghai Investments Limited
Lo Yuen Yat
Chairman

Hong Kong, 17 March 2022

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.