

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

**PRIVATE PLACING
OF
220,000,000 UNITS OF WARRANTS BEING WARRANTS IN REGISTERED FORM
TO SUBSCRIBE FOR SHARES IN THE CAPITAL OF**



FIRST SHANGHAI INVESTMENTS LIMITED

(incorporated in Hong Kong with limited liability)

AT AN ISSUE PRICE OF HK\$0.12 PER UNIT OF WARRANT

On 18th December, 1999, First Shanghai Investments Limited (the "Company") announced its proposal to issue 220,000,000 warrants (the "Warrants") in registered form entitling the holders thereof to subscribe up to the maximum amount of HK\$136.4 million for shares of HK\$0.20 each in the Company (the "Shares") at an issue price of HK\$0.12 per Warrant by way of a private placing through the placing agent and underwriter, Kingsway SW Securities Limited (the "Placing"). The issuance of the Warrants was approved by the shareholders of the Company in the extraordinary general meeting of the Company held on 26th January, 2000. Each Warrant will give the holder thereof the right to subscribe, at an initial subscription price of HK\$0.62 per Share (the "Subscription Price"), subject to adjustments, for one new Share at any time between the date of issue thereof, up to and including 1st August, 2001. Upon the exercise of the subscription rights attached to the Warrants, payment of the subscription moneys in respect thereof must be made to the Company in immediately available funds. The board lot for trading of the Warrants is 24,000 units of Warrants carrying the rights to subscribe for a total of 24,000 new Shares on the basis of the Subscription Price.

The Warrants will be placed with not less than 100 selected independent investors by way of the Placing.

The Placing is conditional upon, inter alia, The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of, and permission to deal in, the Warrants and any Shares falling to be issued upon the exercise of the subscription rights attached thereto. Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Warrants and any Shares falling to be issued upon the exercise of the subscription rights attached thereto as stated in the prospectus of the Company dated 27th January, 2000 (the "Prospectus"). It is expected that the Warrant certificates will be despatched to those entitled thereto on 1st February, 2000 and dealings in the Warrants on the Stock Exchange are expected to commence on 8th February, 2000.

Copies of the Prospectus relating to the Placing have been despatched to the shareholders of the Company, for information purposes only, on 27th January, 2000 and copies of the Prospectus together with the application forms will be available for collection during normal office hours up to and including 3:00 p.m. on 27th January, 2000 from any member of the Stock Exchange and Kingsway SW Securities Limited at 5/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong. Documents set out in the Prospectus for inspection will be available for inspection during normal office hours from 27th January, 2000 up to and including 11th February, 2000.

Application for the Warrants will only be considered on the basis of the Prospectus and the related application form.

By Order of the Board
First Shanghai Investments Limited
Yeung Wai Kin
Company Secretary

Hong Kong, 27th January, 2000