
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

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

The notice convening the Annual General Meeting of First Shanghai Investments Limited to be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Friday, 29th May, 2009 at 3:00 p.m. is set out on pages 10 to 12 of this circular. A form of proxy is also enclosed.

Whether or not you are able to attend the Annual General Meeting, 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 Annual General Meeting (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

28th April, 2009

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong on Friday, 29th May, 2009 at 3:00 p.m. (and any adjournment thereof), notice of which is set out on pages 10 to 12 of this circular
“Articles of Association”	the Articles of Association of the Company
“Board”	the Board of Directors of the Company
“Code”	the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	First Shanghai Investments Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	director(s) of the Company
“General Mandate”	the general authority to be given by the Shareholders to the Directors to exercise the powers of the Company to allot, issue and deal in Shares in the terms set out in Ordinary Resolutions 4A and 4C in the notice convening the Annual General Meeting
“Latest Practicable Date”	22nd April, 2009, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the authority to be given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares in the terms set out in Ordinary Resolution 4B in the notice convening the Annual General Meeting
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.20 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted at the annual general meeting of the Company held on 24th May, 2002
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“HK\$”	Hong Kong dollars

LETTER FROM THE BOARD



FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

Directors:

Mr. Lao Yuan-Yi (*Chairman*)
Mr. Xin Shulin
Mr. Yeung Wai Kin
Mr. Kwok Lam Kwong, Larry, *B.B.S., J.P.**
Prof. Woo Chia-Wei**
Mr. Liu Ji**
Mr. Yu Qi-Hao**
Mr. Zhou Xiaohe**

Registered office:

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

* *Non-executive director*

** *Independent non-executive directors*

28th April, 2009

To the shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to set out the information and to seek your approval of the resolutions, inter alia, relating to the General Mandate, the Repurchase Mandate and the re-election of Directors to be proposed at the Annual General Meeting to be held on Friday, 29th May 2009, notice of which is set out on pages 10 to 12 of this circular.

LETTER FROM THE BOARD

MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant a general and unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and deal in Shares up to 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said ordinary resolution. As at the Latest Practicable Date, 1,396,383,012 Shares were in issue and on such basis, it will be proposed that the Directors would be authorised to allot, issue and deal up to 279,276,602 Shares during the period up to the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company as required by law to be held or the revocation or variation of the General Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. In addition, an ordinary resolution will also be proposed to authorise an extension of the General Mandate by adding thereto the aggregate nominal amount of any Shares repurchased under the Repurchase Mandate.

The General Mandate is required since the existing general mandate will lapse at the conclusion of the forthcoming Annual General Meeting.

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase Shares up to 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said ordinary resolution.

An explanatory statement as required under the Listing Rules to provide all the information reasonably necessary to enable Shareholders to make an informed decision whether to vote for or against the resolution concerning the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

At the Annual General Meeting, ordinary resolutions will be proposed for the re-election of Messrs. Kwok Lam Kwong, Larry, *B.B.S., J.P.*, Liu Ji and Yu Qi-Hao as Directors of the Company according to the Company's Articles of Association. Details of their particulars are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

On pages 10 to 12 of this circular, you will find a notice convening the Annual General Meeting at which ordinary resolutions will be proposed to approve, inter alia, the General Mandate and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the registered office of the Company at Room 1903, Wing On House, 71 Des Voeux Road Central, Hong Kong **not less than 48 hours** before the time appointed for holding the Annual General Meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, 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 Annual General Meeting 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) and the website of the Company (www.firstshanghai.com.hk).

RECOMMENDATION

The Board believes that the proposals for the General Mandate, the Repurchase Mandate and the re-election of the Directors are in the best interests of the Company and the Shareholders in general. Accordingly, the Board recommends that you should vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By order of the Board
FIRST SHANGHAI INVESTMENTS LIMITED
LAO Yuan-Yi
Chairman

This appendix serves both as the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate and as the memorandum required under section 49BA of the Companies Ordinance.

EXERCISE OF THE REPURCHASE MANDATE

The Listing Rules 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.

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate granted to them if the ordinary resolution set out in item 4B of the notice of the Annual General Meeting is passed would be beneficial to the Company.

It is proposed that up to 10 per cent of the Shares in issue and fully paid at the date passing of the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date for determining such figure, 1,396,383,012 Shares were in issue. On the basis of such figure, the Directors would be authorised to repurchase up to 139,638,301 Shares during the period up to the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum and Articles of Association and the laws of Hong Kong, including profits otherwise available for distribution. Pursuant to the laws of Hong Kong, the Shares so repurchased will be treated as cancelled.

IMPACT ON WORKING CAPITAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its audited accounts for the financial year ended 31st December, 2008) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not intend to propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors or their associates have any present intention, if the Repurchase Mandate is approved by the Shareholders and exercised, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders and exercised.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Hong Kong.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the date of this circular.

TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, China Assets (Holdings) Limited (“China Assets”), Ms. Chan Chiu Joy (“Ms. Chan”), Mr. Yin Jian Alexander (“Mr. Yin”) and Mr. Lao Yuan-Yi (“Mr. Lao”) (the Chairman and an executive director of China Assets), who held approximately 17.74 per cent., 16.45 per cent., 16.45 per cent. and 12.87 per cent. of the issued share capital of the Company respectively, were the only substantial shareholders 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 shareholding of China Assets, Ms. Chan, Mr. Yin and Mr. Lao in the Company would be increased to approximately 19.71 per cent., 18.28 per cent., 18.28 per cent. and 14.30 per cent. of the issued share capital of the Company respectively and such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code, if the Securities and Futures Commission rules that they are parties acting in concert under the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

MARKET PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were:

		Price per Shares	
		Highest	Lowest
		(HK\$)	(HK\$)
2008	April	1.97	1.46
	May	1.92	1.51
	June	1.65	1.20
	July	1.35	1.11
	August	1.25	0.85
	September	1.07	0.50
	October	1.07	0.43
	November	0.73	0.53
	December	0.86	0.64
2009	Jan	0.83	0.64
	Feb	0.77	0.66
	March	0.76	0.60
	April (up to the Latest Practicable Date)	0.89	0.71

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars (as required by the Listing Rules) of the three Directors who are proposed to be re-elected:

Mr. Kwok Lam Kwong, Larry, B.B.S., J.P. (53). Appointed as Independent Non-executive Director in 1994 and has been re-designated to Non-executive Director of the Company with effect from 17th March 2005. Mr. Kwok is a practising solicitor in Hong Kong and is also qualified to practise as a solicitor in Australia, England and Wales and Singapore. He is also qualified as a certified public accountant in Hong Kong and Australia and a chartered accountant in England and Wales. He graduated from the University of Sydney, Australia with bachelor's degrees in economics and laws respectively as well as a master's degree in laws. He is currently the Chairman of the Traffic Accident Victims Assistance Advisory Committee, a member of the Hospital Governing Committee of Kwai Chung Hospital/Princess Margaret Hospital and the Insurance Claims Complaints Panel. He is also a member of the Political Consultative Committee of Guangxi in the People's Republic of China.

Mr. Kwok does not hold any positions with the Company or any member of the Company's group of companies other than acting as Non-executive Director of the Company. Mr. Kwok does not have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Kwok executed a service contract with the Company for a period of two years from 15th March, 2008. He is entitled to a director's fee of HK\$240,000 per annum and a further fee of HK\$30,000 per annum for being a member of the audit committee of the Company, which are determined by reference to the market range for the position and is subject to review by the Board from time to time pursuant to the power given to it under the Articles of Association of the Company. As at the Latest Practicable Date, Mr. Kwok is interested in 1,000,000 underlying shares of the Company within the meaning of Part XV of the SFO.

Save as mentioned above, Mr. Kwok 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.

Mr. Liu Ji (73). Appointed as Independent Non-executive Director in 2004. Mr. Liu is the Honorary President of China Europe International Business School in Shanghai. He holds the posts of Deputy Chairman, Research Fellow and Member of the Academic Board, The Chinese Academy of Social Sciences, and Executive President of China Europe International Business School since 1993. Mr. Liu graduated from the Department of Power Mechanical Engineering, Qinghua University, Beijing.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Liu does not hold any positions with the Company or any member of the Company's group of companies other than acting as Independent Non-executive Director of the Company. Mr. Liu does not have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Liu executed a service contract with the Company for a period of two years from 15th March, 2008. He is entitled to a director's fee of HK\$240,000 per annum and a further fee of HK\$30,000 per annum for being a member of the audit committee of the Company, which are determined by reference to the market range for the position and is subject to review by the Board from time to time pursuant to the power given to it under the Articles of Association of the Company. As at the Latest Practicable Date, Mr. Liu is interested in 500,000 underlying shares of the Company within the meaning of Part XV of the SFO.

Save as mentioned above, Mr. Liu 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.

Mr. Yu Qi-Hao (62). Appointed as Independent Non-executive Director 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 of Shenyin Wanguo (H.K.) Limited from 1995 to 1997 and a non-executive director from 1997 to 1998. And during the period from 2001 to 2006, Mr. Yu was an advisor of Deloitte Touche Tohmatsu CPA Ltd in Shanghai.

Mr. Yu does not hold any positions with the Company or any member of the Company's group of companies other than acting as Independent Non-executive Director of the Company. Mr. Yu does not have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Yu executed a service contract with the Company for a period of two years from 17th March, 2009. He is entitled to a director's fee of HK\$240,000 per annum and a further fee of HK\$30,000 per annum for being a member of the audit committee of the Company, which are determined by reference to the market range for the position and is subject to review by the Board from time to time pursuant to the power given to it under the Articles of Association of the Company. As at the Latest Practicable Date, Mr. Yu is interested in 1,000,000 underlying shares of the Company within the meaning of Part XV of the SFO.

Save as mentioned above, Mr. Yu 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.

NOTICE OF ANNUAL GENERAL MEETING



FIRST SHANGHAI INVESTMENTS LIMITED

(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, 29th May, 2009 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 auditors for the year ended 31st December, 2008.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditors 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) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to allot, issue and deal with additional shares in the capital 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;
- (c) the aggregate nominal amount of share capital 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

NOTICE OF ANNUAL GENERAL MEETING

aggregate nominal amount of the share capital 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.

“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) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 nominal amount of the number of shares in the capital 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 aggregate nominal amount of share capital 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, 28th April, 2009

Registered Office:

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

Notes:

- (1) A member of the Company 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, 25th May, 2009 to Friday, 29th May, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to establish entitlement of shareholders to vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Friday, 22nd May, 2009.