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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 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 record a decrease of approximately 60 to 70% in profit attributable to shareholders of the Company for the year ended 31st December 2019, as compared to that of HK\$33 million for the year ended 31st December 2018. Such expected decrease is primarily attributable to (i) the effects of the adoption of Hong Kong Financial Reporting Standard 16 “Leases” (effective from 1st January 2019) which result in the increase in related expenses on the leases of the medical centres of the Group, (ii) an impairment provision on certain right-of-use assets based on value-in-use calculations using cash flow projection; (iii) an one-off accounting loss and reduction in share of profit in 2019 upon disposal of a joint venture (details of the disposal has been disclosed in an announcement of the Company published on 26th August 2019); and (iv) the recognition of operating expenses for a newly opened hotel in Paris.

Although a decline in the consolidated results of the Group may be recorded, 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 Group’s results for the year ended 31st December 2019. 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 or 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 31st December 2019, which is expected to be published before 31st March 2020.

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, 13th March 2020

As at the date of this announcement, the Board comprises three executive directors, being Mr. Lo Yuen Yat, Mr. Xin Shulin and Mr. Yeung Wai Kin; 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.