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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\$90 million for the year ended 31 December 2020, as compared with the profit of HK\$11 million recorded for the corresponding period in 2019. Such expected loss is primarily attributable to the reduction on fair value gain on investment properties due to adverse market outlook for sales or rental return of these properties. During 2020, with the worldwide outbreak of COVID-19, the Group encountered (i) compulsory site closure of property sales office in Huangshan; (ii) abrupt suspension of hotel operations in Wuxi and Paris implemented by the governments; and (iii) decline in volume of patient visits at our medical centre in Central due to temporary suppression on demand for regular medical services during the pandemic. Tracking these severe disruptions, and the challenging market outlook, the Group has made impairment on certain non-current assets on its property and medical businesses.

Although consolidated loss of the Group may be resulted, 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 2020. 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 2020, which is expected to be published before 31 March 2021.

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, 12 March 2021

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.