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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

DISCLOSEABLE TRANSACTION DISPOSAL OF ASSETS OF IMAGING, ENDOSCOPY AND CHECK-UP CENTRE BY A SUBSIDIARY COMPANY

THE DISPOSAL

On 12 May 2022 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Disposal Assets for the Consideration.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 12 May 2022 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Disposal Assets for the Consideration. Details of the Agreement are summarised as follows:

THE AGREEMENT

Date

12 May 2022

Parties

- Purchaser : Full Wish Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 722)
- Vendor : International Medical Centre (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

The Disposal Assets, being the assets of the Imaging, Endoscopy and Check-up Centre operated by the Vendor and situated at 1/F, 2/F, 3/F and 5/F, One Chinachem Central, 22 Des Voeux Road Central, Hong Kong.

Consideration

Pursuant to the Agreement, the Consideration for the sale and purchase of the Disposal Assets shall be the total sum of HK\$31,925,000, which shall be settled in cash by the Purchaser to the Vendor on the Completion Date.

The Consideration was determined after arm's length negotiations between the parties to the Agreement based on normal commercial terms with reference to (and representing a premium of approximately 55% over) the net book value based on the unaudited financial statements of the Vendor attributable to the Disposal Assets as at 31 March 2022, after primarily taking into account the Disposal Assets mainly consist of used medical equipment that have already been utilised at the Imaging, Endoscopy and Check-up Centre for several years.

The Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the sale and purchase of the Disposal Assets shall take place on the Completion Date.

INFORMATION ON THE COMPANY AND THE VENDOR

The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operation, medical and healthcare services, direct investment, investment holding and management.

The Vendor is a wholly-owned subsidiary of the Company and is principally engaged in operating a medical centre in Central, Hong Kong.

INFORMATION ON THE DISPOSAL ASSETS

The Disposal Assets are those assets of the Imaging, Endoscopy and Check-up Centre operated by the Vendor which comprise computer, furniture and fixtures, medical equipment and office equipment. The following table sets out the unaudited net book values of the itemised Disposal Assets as at 31 December 2021 and 31 March 2022, respectively:

Items of Disposal Assets	Net book value as at 31 December 2021 (Unaudited) HK\$'000	Net book value as at 31 March 2022 (Unaudited) HK\$'000
Computer	30	23
Furniture and fixtures	72	68
Medical equipment	21,762	20,473
Office equipment	36	28
Total:	21,900	20,592

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability which is an investment holding company and an indirect wholly-owned subsidiary of UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 722).

UMP Healthcare Holdings Limited and its subsidiaries are principally engaged in the provision of healthcare services which include corporate healthcare solution services, medical and dental services, medical imaging and laboratory services and other auxiliary medical services.

REASONS FOR AND BENEFIT OF THE DISPOSAL

Subject to audit, it is currently expected that the Group will record a gain on the Disposal of approximately HK\$11.3 million, which is calculated with reference to the difference between the Consideration and the net book value based on the unaudited financial statements of the Vendor attributable to the Disposal Assets as at 31 March 2022.

It is expected that the estimated net proceeds from the Disposal of approximately HK\$31.7 million will be used for general working capital of the Group.

As disclosed in the Open Offer Prospectus, although considerable effort has been put, the Group's medical and healthcare segment (the "**Medical and Healthcare Segment**") has been performing unsatisfactorily in the past years since its inception in 2017, which have exerted much pressure on the Group's cash flow position and profitability. After careful consideration under the current difficult operating environment, the Board has come up with the decision to downsize the Medical and Healthcare Segment (the "**Scaling Down**"). The Disposal will form part of the Scaling Down process and the Directors consider that the Disposal will enable the Group's resources could be more effectively allocated to and utilised by other profitable business segments of the Group thereafter, which they believe that this will be beneficial to the Group.

The terms of the Disposal were arrived at after arm's length negotiations between the parties to the Agreement. The Board (including the independent non-executive Directors) is of the view that the terms of the Agreement and the transactions contemplated thereunder were negotiated on an arm's length basis between the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below:

"Agreement"	the asset purchase agreement dated 12 May 2022 and entered into between the Vendor and the Purchaser in respect of the Disposal Assets
"Board"	the board of Directors
"business day(s)"	a day (other than a Saturday, a Sunday or a public holiday) on which the Stock Exchange is open for the business of dealing in securities
"Company"	First Shanghai Investments Limited (Stock Code: 227), a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange
"Completion"	completion of the sale and purchase of the Disposal Assets in accordance with the Agreement

“Completion Date”	the date when the Completion takes place, which shall be 12 May 2022
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$31,925,000, being the consideration for the sale and purchase of the Disposal Assets
“Directors”	the directors of the Company
“Disposal”	the disposal of the Disposal Assets by the Vendor to the Purchaser pursuant to the Agreement
“Disposal Assets”	the assets of the Imaging, Endoscopy and Check-up Centre
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Imaging, Endoscopy and Check-up Centre”	the imaging, endoscopy and check-up centre operated by the Vendor and situated at the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Open Offer Prospectus”	the prospectus of the Company dated 16 December 2021 in respect of the open offer on the basis of one (1) offer Share for every eleven (11) existing Shares on a non-underwritten basis
“PRC”	The People’s Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Premises”	1/F, 2/F, 3/F and 5/F, One Chinachem Central, 22 Des Voeux Road Central, Hong Kong, being the premises on which the Imaging, Endoscopy and Check-up Centre is situated
“Purchaser”	Full Wish Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 722)
“Shareholder(s)”	holder(s) of the Shares

“Share(s)”	ordinary share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	International Medical Centre (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
First Shanghai Investments Limited
YEUNG Wai Kin
Executive Director

Hong Kong, 12 May 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.