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FIRST SHANGHAI INVESTMENTS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 227)

DISCLOSEABLE TRANSACTION
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
OF A WHOLLY-OWNED SUBSIDIARY

The Vendor, a wholly-owned subsidiary of the Company has entered into the Disposal Agreement for the sale of the entire issued share capital of Excel, for the Purchase Price. Upon Completion, Excel will cease to be a subsidiary of the Company. The Disposal constitutes a discloseable transaction of the Company.

On 26 December 2014, the Vendor entered into the Disposal Agreement with the Purchaser, pursuant to which amongst other things the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Share, representing the entire issued share capital of Excel, for the Purchase Price.

Upon Completion, Excel will cease to be a subsidiary of the Company.

DISPOSAL AGREEMENT

Date: 26 December 2014

Parties

Shenyang Sunshine Pharmaceutical Company Limited (瀋陽三生製藥有限責任公司) as Purchaser

Excel Partner Holdings Limited; and

First Meditech Limited as Vendor

Assets to be disposed of by the Vendor

Pursuant to the Disposal Agreement, the Vendor has agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor the Sale Share, representing the entire issued share capital of Excel, clear and free from all liens.

At the date of this announcement, the Vendor is the legal and beneficial owner of the entire issued share capital of Excel.

Purchase Price

The Purchase Price is US\$25,250,200 and is to be satisfied by the Purchaser:

- (a) making the Deposit of US\$1,000,000 within one Business Day after signing of the Disposal Agreement;
- (b) making a payment of US\$23,500,000 in cash at Completion; and
- (c) making a further payment of US\$750,200 which shall be paid by wire transfer to the Vendor of immediately available funds on 5 February 2015, after persons nominated by the Purchaser have been appointed as directors of Sirton. At the same time the Purchaser must repay or cause Excel to repay to the Company the amount of US\$9,737,169 being the United States dollars equivalent of the amount due to the Company by Excel.

Conditions precedent

The obligation of the Purchaser to consummate Completion is subject to the fulfillment or waiver of certain conditions including those summarised below:

- (a) certain warranties of the Vendor remaining true and accurate;
- (b) the Vendor, Excel and Sirton having complied with certain agreements, obligations and conditions on or before the Completion Date.

The obligation of the Vendor and Excel to consummate Completion is subject to the fulfillment or waiver of certain conditions including those summarised below:

- (a) certain warranties of the Purchaser remaining true and accurate;
- (b) the Purchaser having complied with certain agreements, obligations and conditions.

The Disposal Agreement may be terminated prior to Completion on various grounds, and in particular by any party if Completion shall not have happened on or before 31 December 2014 (or such later date as may be agreed by the parties). Termination shall be without liability of any party save for breach of any representation, warranty, covenant, agreement or undertaking in the Disposal Agreement occurring prior to such termination. The Deposit shall be refunded to the Purchaser if the Disposal Agreement is terminated pursuant to the provisions of the Disposal Agreement but the Vendor may keep the Deposit if it is terminated because Completion has not happened on or before 31 December 2014 (or such later date as may be agreed by the Parties) due to the default or gross negligence of the Purchaser or its subsidiaries.

Completion

Completion shall take place on 31 December 2014, subject to the fulfillment or valid waiver of all of the conditions precedent, or such other date as may be agreed by the Vendor and the Purchaser.

INFORMATION ABOUT EXCEL

Excel is a company incorporated in Hong Kong on 8 July 2010 with limited liability and is wholly and beneficially owned by the Vendor. Excel is a holding vehicle and the sole asset of which is 100% of Sirton, which is principally engaged in pharmaceutical services.

The unaudited consolidated net loss (both before and after taxation and extraordinary items) of Excel for the year ended 31 December 2012 was approximately HK\$208,000, based on the audited financial statements of Excel. The unaudited consolidated net profit before and after taxation and extraordinary items of Excel for the year ended 31 December 2013 was approximately HK\$2,837,000 and HK\$2,484,000 respectively, based on the audited financial statements of Excel. The unaudited consolidated net profit before and after taxation and extraordinary items of Excel for the six months period ended 30 June 2014 were approximately HK\$3,044,000 and HK\$1,478,000 respectively, based on the unaudited management accounts of Excel. All financial information is prepared in accordance with accounting principles generally accepted in Hong Kong.

INFORMATION ABOUT THE PURCHASER

The Purchaser is a biopharmaceutical company in the PRC. It is principally engaged in developing, manufacturing and marketing of biopharmaceutical products including Erythropoietin products.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR THE DISPOSAL

The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operation, direct investment, investment holding and management. The Disposal represents an opportunity for the Company to realise a successful investment of its direct investment sector.

The original investment cost of Excel and its subsidiary Sirton was approximately HK\$74 million. It is expected that the Group will record a gain of approximately HK\$208 million as a result of the Disposal. The net proceeds from the Disposal will be used as general working capital of the Group.

The terms and conditions of the Disposal were arrived at after arm's length negotiations between the Purchaser and the Vendor and the Board considers that the Disposal Agreement is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules is greater than 5% but all are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject only to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Business Day”	a day on which banks are open for business in Hong Kong and the PRC;
“Company”	First Shanghai Investments Limited, a company incorporated in Hong Kong with limited liability) and the issued shares of which are listed on the Stock Exchange (Stock Code: 227);
“Completion”	completion of the Disposal;
“Deposit”	the sum of US\$1,000,000 to be paid by the Purchaser to the Vendor by way of deposit under the Disposal Agreement;
“Director(s)”	the directors of the Company;
“Disposal”	the proposed disposal by the Vendor of the Sale Share to the Purchaser on the terms and conditions of the Disposal Agreement;
“Disposal Agreement”	the conditional sale and purchase agreement dated 26 December 2014 between the Purchaser, Excel and the Vendor in relation to the entire issued share capital of Excel;

“Excel”	Excel Partner Holdings Limited, a company limited by shares incorporated under the laws of Hong Kong and the entire issued share capital of which is wholly beneficially owned by the Vendor, and an indirectly wholly-owned subsidiary of the Company;
“Listing Rules”	the rules governing the Listing of Securities on the Stock Exchange;
“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;
“Independent Third Party (ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of the Company and its connected persons;
“PRC”	the People’s Republic of China;
“Purchase Price”	US\$25,250,200 being the consideration for the Sale Share under the Disposal Agreement;
“Purchaser”	Shenyang Sunshine Pharmaceutical Company Limited (瀋陽三生製藥有限責任公司), a company incorporated under the laws of the PRC with limited liability;
“Sale Share”	one share in the issued share capital of Excel, being the entire issued share capital of Excel at the date of the Disposal Agreement, which is legally and beneficially owned by the Vendor;
“Sirton”	Sirton Pharmaceuticals S.P.A., a company incorporated with limited liability under the laws of Italy and an indirectly wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars; and

“Vendor”

First Meditech Limited, an international business company limited by shares incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Company and the vendor under the Disposal Agreement.

By Order of the Board
First Shanghai Investments Limited
Lo Yuen Yat
Chairman

Hong Kong, 26 December 2014

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, B.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.