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FIRST SHANGHAI INVESTMENTS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 227)

ANNOUNCEMENT OF THE ALLOTMENT RESULTS OF THE OPEN OFFER ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY FIVE (5) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AND THE RESULTS OF THE PLACING OF THE UNSUBSCRIBED SHARES

Placing Agent



First Shanghai Securities Limited

Reference is made to the prospectus of First Shanghai Investments Limited (the “**Company**”) dated 27 August 2021 (the “**Prospectus**”) and the announcement of the Company dated 14 September 2021 (the “**Announcement**”) in relation to the Open Offer on the basis of one (1) Offer Share for every five (5) Shares held on Record Date on a non-underwritten basis. As at the Record Date, the total number of issued Shares of the Company was 1,418,973,012, and the maximum number of Shares to be issued pursuant to the Open Offer is 283,794,602. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Prospectus.

COMPLETION OF THE OPEN OFFER AND THE PLACING

The Board is pleased to announce that completion of the Open Offer and the placing of the Unsubscribed Shares pursuant to the Placing Agreement (the “**Placing**”) took place on 17 September 2021 and 16 September 2021, respectively.

RESULTS OF THE OPEN OFFER

As at 4:00 p.m. on Friday, 10 September 2021, being the latest time for acceptance of and payment for the Offer Shares, a total of 33 valid acceptances of provisional allotment under the relevant Application Forms in respect of a total of 138,462,582 Offer Shares had been received, representing approximately 48.8% of the total number of Offer Shares available for subscription by the Qualifying Shareholders (i.e. 283,678,851) under the Open Offer. Based on the subscription and acceptance results, the Open Offer was under-subscribed by 145,216,269 Offer Shares, representing approximately 51.2% of the number of the Offer Shares available for subscription by the Qualifying Shareholders (i.e. 283,678,851) under the Open Offer.

PLACING ARRANGEMENTS OF THE UNSUBSCRIBED SHARES

As disclosed in the Announcement, there were 145,332,020 Unsubscribed Shares, representing approximately 51.2% of the total number of the Offer Shares available for subscription under the Open Offer, were subject to the Placing by the Placing Agent.

The Board wishes to announce that, as reported by the Placing Agent, in view of the prevailing unfavourable market sentiment and the fact that the recent market trading price of the Shares is very close to the Subscription Price, only 11,848,000 Unsubscribed Shares had been successfully placed to one placee (namely, Mr. ZHOU Jianshi (周劍石), being a general investor to the best knowledge of the Directors) (the “**Independent Placee**”) at the Placing Price of HK\$0.27 per Placing Share. As the Placing Price equals the Subscription Price, no Net Gain is available for distribution to the No Action Shareholders and the Prohibited Shareholders under the Unsubscribed Arrangements.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) the Independent Placee is independent of and not connected with any of the Company and its connected persons and is not a connected person of the Company; and (ii) the Independent Placee did not become a substantial Shareholder (as defined under the Listing Rules) upon completion of the Open Offer (together with the Placing).

FULL COMPLIANCE WITH AND PERFORMANCE OF ALL UNDERTAKINGS BY THE UNDERTAKING PROVIDERS AND THE SHAREHOLDING STRUCTURE OF THE COMPANY AS AT THE LATEST PRACTICABLE DATE AND IMMEDIATELY AFTER THE COMPLETION OF THE OPEN OFFER

Pursuant to the Undertakings given by the Undertaking Providers (i.e. Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Yeung), as at the date of this announcement, the Undertaking Providers had fully complied with and performed all their undertakings and obligations under their respective Undertakings in all material respects.

In order to not trigger an obligation on the part of the Undertaking Providers and Mr. Zhou to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) (as applied by Rule 7.24) of the Listing Rules, the Open Offer would be scaled down as stated in the Prospectus. Accordingly, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Open Offer is set out below:

	As at the Latest Practicable Date		Immediately after completion of the Open Offer		
	No. of Shares held	%	No. of Shares allotted under the Open Offer	No. of Shares held	%
Mr. Lo	98,725,636	6.96	15,736,217	114,461,853	7.38
Kinmoss (Note 1)	72,952,000	5.14	11,628,069	84,580,069	5.44
New Synergies (Note 2)	216,000	0.02	34,429	250,429	0.02
China Assets (Note 3)	277,005,227	19.52	44,152,810	321,158,037	20.71
Mr. Yeung (Note 4)	11,872,304	0.83	2,374,460	14,246,764	0.92
Mr. Zhou (Note 5)	160,000	0.01	–	160,000	0.01
Subtotal	460,931,167	32.48	73,925,985	534,857,152	34.48
Independent Placee (Note 6)	15,496,000	1.10	14,947,200	30,443,200	1.97
Public Shareholders (other than the Independent Placee)	942,545,845	66.42	43,209,150	985,754,995	63.55
Total	1,418,973,012	100.00	132,082,335	1,551,055,347	100.00

Note:

1. Kinmoss is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Lo. Under the SFO, Mr. Lo is deemed to be interested in 84,580,069 Shares owned by Kinmoss immediately after completion of the Open Offer.

2. New Synergies is an investment holding company incorporated in Hong Kong with limited liability, the issued share capital of which is wholly and beneficially owned as to 40% by Mr. Lo. Under the SFO, Mr. Lo is deemed to be interested in 250,429 Shares owned by New Synergies and the 321,158,037 Shares owned by China Assets immediately after completion of the Open Offer.
3. China Assets is an investment holding company incorporated in Hong Kong with limited liability, the entire issued share capital of which is wholly and beneficially owned by New Synergies. Under the SFO, New Synergies is deemed to be interested in the 321,158,037 Shares owned by China Assets immediately after completion of the Open Offer.
4. Mr. Yeung is an executive Director, the chief financial officer and company secretary of the Company. Mr. Yeung, by virtue of his capacity as the Director, is presumed to be a party acting in concert with Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Zhou until completion of the Open Offer.
5. Mr. Zhou is an independent non-executive Director. Mr. Zhou, by virtue of his capacity as the Director, is presumed to be a party acting in concert with Mr. Lo, Kinmoss, New Synergies, China Assets and Mr. Yeung until completion of the Open Offer.
6. The Independent Placee (i) subscribed for and was allotted 3,099,200 Offer Shares; and (ii) was placed an additional 11,848,000 Unsubscribed Shares pursuant to the Placing.
7. As at the date of this announcement, save as disclosed above, none of the Directors hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company.

USE OF PROCEEDS

Following the above scaling-down arrangement and the Placing, 132,082,335 Offer Shares have been issued under the Open Offer (together with the Placing). The net proceeds of the Open Offer (together with the Placing) amounted to approximately HK\$34.3 million and will be fully utilised for financing the medical and healthcare business of the Group as stated in the Prospectus.

DESPATCH OF SHARE CERTIFICATES FOR THE OFFER SHARES

Share certificates in respect of valid acceptances of the Offer Shares under the Application Forms are expected to be despatched to those entitled thereto by ordinary post to their respective registered address at their own risks on Monday, 20 September 2021.

COMMENCEMENT OF DEALINGS OF THE OFFER SHARES

Dealings in the Offer Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 21 September 2021.

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

Hong Kong, 17 September 2021

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.