沪港联合

HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED
滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board is pleased to announce that on 26 January 2017 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company (as guarantor of the Vendor) entered into the S&P Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company at the Consideration of RMB1,371,951,924 (equivalent to approximately HK$1,542,073,963), subject to the Adjustment. The Consideration will be satisfied by cash.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other matters, (i) further details of the S&P Agreement and the transaction contemplated thereunder; (ii) a valuation report on the PRC Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) the notice of the SGM to approve the Disposal, will be despatched to the Shareholders on or before 28 February 2017 in order to allow sufficient time for the Company to prepare the necessary information to be included in the circular.

The Completion is subject to the satisfaction and/or waiver of the Conditions and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 26 January 2017 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company (as guarantor of the Vendor) entered into the S&P Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company at the Consideration of RMB1,371,951,924 (equivalent to approximately HK$1,542,073,963), subject to the Adjustment. The Consideration will be satisfied by cash.

THE S&P AGREEMENT

Set out below are the principal terms of the S&P Agreement:

Date : 26 January 2017

Parties :

(1) VSC China Property Limited (as Vendor), an indirect wholly-owned subsidiary of the Company;

(2) Lumion (B.V.I.) Limited (as Purchaser); and

(3) the Company (as guarantor of the Vendor).

The Purchaser is a company incorporated in the BVI and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject matter of the Disposal

Pursuant to the S&P Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Share, being the entire issued share capital of the Target Company, which is legally and beneficially owned by the Vendor, free from all encumbrances and together with all rights and advantages attaching to them as at Completion.

The Company joined as a party to the S&P Agreement to guarantee the performance of the Vendor's obligations under the S&P Agreement and other relevant transaction documents.

Consideration

The consideration (the "**Consideration**") for the Disposal shall be a US$ equivalent of an amount equal to RMB1,371,951,924 (equivalent to approximately HK$1,542,073,963), being the sum of:

(1) a deposit (the "**Deposit**") of RMB136,000,000 (equivalent to approximately HK$152,864,000) to be deposited by the Purchaser into the Vendor's bank account (the "**Vendor's Bank Account**") within 10 Business Days after the date of the S&P Agreement in accordance with the S&P Agreement; and

(2) the remaining balance of the Consideration in the sum of RMB1,235,951,924 (equivalent to approximately HK$1,389,209,963).

The Consideration is subject to the Adjustment, which is detailed in the sub-section headed "Adjustment to the Consideration" below.

Unless the S&P Agreement is terminated subject to, and on the basis set out in the S&P Agreement as detailed in the sub-section headed "Termination" below, the Deposit shall remain in the Vendor's Bank Account until Completion and upon Completion, the Deposit shall comprise part of the Consideration paid by the Purchaser and the Vendor shall be fully entitled to the Deposit (together with all accrued interest in the Vendor's Bank Account).

At Completion, the Purchaser shall pay or procure the payment of the Completion Amount to the relevant bank accounts as set out in the Vendor's payment notice to be delivered to the Purchaser not less than 12 Business Days before the Completion pursuant to the S&P Agreement. Such Vendor's payment notice shall confirm, among others, (i) such amount to be remitted by the Purchaser on the Completion Date to IBT as facility agent under each of the Outstanding Banking Facilities pursuant to the pay-off letters to be delivered pursuant to the Condition 3 as set out in the sub-section headed "The S&P Agreement – Conditions precedent" below (the "**Facilities Payment Amount**") and (ii) such amount to be paid to the Vendor on the Completion Date and the bank account details of the Vendor to which such amount shall be deposited.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the preliminary valuation of the PRC Property as at 31 December 2016 prepared by a registered and qualified independent valuer in Hong Kong.

Adjustment to the Consideration

Reduction of the Consideration

If any payment is made by the Vendor to the Purchaser in respect of any claim and other proceedings in relation to the breaches of the warranties, or any covenant, undertaking and other obligations of the Vendor and the Company as stipulated under the S&P Agreement ("**Claim(s)**") prior to the full payment of the Consideration, such payment shall be treated as an adjustment of the Consideration paid by the Purchaser for the Disposal under the S&P Agreement and the Consideration shall be deemed to have been reduced by the amount of such payment.

The maximum total liability of all Claims of the Vendor under the S&P Agreement shall not exceed the Consideration.

Net asset value adjustment

If the Completion NAV is less than the Estimated NAV, the Vendor shall repay to the Purchaser an amount equal to the difference between the Completion NAV and the Estimated NAV as a reduction in the Consideration.

If the Completion NAV exceeds the Estimated NAV, the Purchaser shall pay to the Vendor an additional amount equal to the difference between the Completion NAV and the Estimated NAV as an increase in the Consideration.

No payment shall be made if the Completion NAV is the same amount as the Estimated NAV.

Any payments pursuant to the adjustment to the Consideration as a result of the difference of the Completion NAV and the Estimated NAV shall be made on or before 10 Business Days after the date on which the process for the preparation of the Net Asset Value Statement is completed in accordance with the S&P Agreement.

Conditions precedent

Completion is conditional upon the following Conditions being satisfied and/or waived on or before Completion:

1. the passing at the SGM of a resolution to approve the transactions contemplated under the S&P Agreement in accordance with the Listing Rules;

2. copies of all consents and approvals required on the part of the Vendor and the Company in relation to the transactions contemplated under the S&P Agreement and other relevant transaction documents having been delivered to the Purchaser;

3. the receipt by the Purchaser of prepayment documents in relation to each of the Outstanding Banking Facilities including (I) a copy of a duly executed pay-off letter between, amongst others, the Target Company and the facility agent under the Outstanding Banking Facilities in a form acceptable to the Purchaser (acting reasonably), (i) confirming the outstanding amount to be repaid or prepaid under each of the Outstanding Banking Facilities and the proportions of such amounts owing to each finance party under the 2013 Facility, and the details of the relevant account of IBT to which the repayment or prepayment should be deposited; (ii) confirming that the facility agent shall make the signed but undated relevant release documents

available for inspection by the solicitors of the Purchaser on the Completion Date prior to the Purchaser's performance of its obligations under Completion arrangements in accordance with the S&P Agreement; (iii) immediately upon receipt of the amount set forth in sub-paragraph (i) above, the facility agent shall deliver or cause the delivery of the originals of the relevant signed release documents to the solicitors of the Purchaser on and dated the Completion Date; (II) a copy of a prepayment notice from the Target Company to IBT in accordance with the terms and conditions of each Outstanding Banking Facilities, in a form acceptable to the Purchaser (acting reasonably); and (III) the release documents under each Outstanding Banking Facilities are in form acceptable to the Purchaser (acting reasonably);

4. the receipt by the Purchaser of copies of all relevant documentation evidencing that all balances between the Remaining Group and the Target Group having been paid, set off or written off in full;

5. the Vendor having completed renovation works by the creation of common areas on certain units of the PRC Property to a standard which is satisfactory to the Purchaser (acting reasonably);

6. the Target Company having obtained the relevant report and filing certificate from the relevant PRC government authorities in relation to certain renovation work of the PRC Property;

7. the receipt by the Purchaser of a copy of an agreement entered by and between the Target Company and 萬順昌(上海)企業管理有限公司 (VSC (Shanghai) Enterprise Management Company Limited*) ("**VSC (Shanghai)**"), on terms and conditions that are satisfactory to the Purchaser, in relation to the renewal of the lease for the entirety of the 23rd floor of the PRC Property for a duration of no less than 12 months commencing from 16 March 2017, provided that the Target Company will grant a one-month rent free period to VSC (Shanghai) in respect of such renewal;

8. a copy of the relevant governmental approvals from the relevant fire bureau in the PRC in respect of the tenant, VSC (Shanghai), on 23rd floor of the PRC Property having been delivered to the Purchaser;

9. each warranty given by the Vendor and the Company that is not a fundamental warranty as referred to in the S&P Agreement being true, accurate and not misleading in all material respects, and each fundamental warranty as referred to in the S&P Agreement being true, accurate and not misleading in all respects, in each case, as at Completion;

10. the Vendor having procured that the services of the current registered agent of the Target Company is terminated and the new registered agent is appointed and provide evidence of the same to the Purchaser;

11. the evidence that the IBT's representative has obtained the relevant documents as stipulated in the S&P Agreement for the release of existing mortgages of the PRC Property reasonably satisfactory to the Purchaser having been delivered to the Purchaser, that each such document has been duly notarised, delivered, accepted, forwarded and verified by certain relevant notary and notary committees;

12. each warranty given by the Purchaser pursuant to the S&P Agreement being true, accurate and not misleading in all respects as at Completion;

13. the Deposit having been paid in full by the Purchaser within 10 Business Days after the date of the S&P Agreement in accordance with the S&P Agreement; and

14. a certified true copy of meeting minutes or written resolutions of the directors of the Purchaser, authorising the execution by the Purchaser of the S&P Agreement and other documents entered into or to be entered into for the purposes of giving effect to the S&P Agreement having been delivered to the Vendor.

If the Condition 1 is not satisfied on or by the Long Stop Date, either the Vendor or the Purchaser may, by notice in writing to the Purchaser or the Vendor (as the case may be), terminate the S&P Agreement.

The Purchaser may at any time waive in whole or in part all or any of the Conditions 2 to 11 by notice in writing to the Vendor. If any of the Conditions 2 to 9 is not satisfied or waived on or by the Long Stop Date, the Purchaser may, by notice in writing to the Vendor, terminate the S&P Agreement. If any of the Conditions 10 and 11 is not satisfied or waived on or by the Long Stop Date, either the Vendor or the Purchaser may, by notice in writing to the Purchaser or the Vendor (as the case may be), terminate the S&P Agreement.

The Vendor may at any time waive in whole or in part all or any of the Conditions 12 to 14 by notice in writing to the Purchaser. If any of the Conditions 12 and 14 is not satisfied or waived on or by the Long Stop Date or the Condition 13 is not satisfied or waived within 10 Business Days after the date of the S&P Agreement, the Vendor may, by notice in writing to the Purchaser, terminate the S&P Agreement.

Termination

If the S&P Agreement is terminated by the Purchaser or the Vendor in accordance with its terms, the rights and obligations of the parties under the S&P Agreement shall cease immediately, save in respect of antecedent breaches and under the certain continuing provisions under the S&P Agreement.

Termination by the Purchaser

The Purchaser may terminate the S&P Agreement by providing written notice to the Vendor if (i) the Company fails to use its best endeavour to convene the SGM to satisfy the Condition 1 by the date of 45 Business Days after the date of the S&P Agreement (provided that the Purchaser's right to terminate shall expire upon the satisfaction of the Condition 1 by the Long Stop Date); (ii) any of the Conditions 2 to 9 is not satisfied or waived on or by the Long Stop Date; (iii) the Vendor is in breach of any of its obligations in respect of the certain completion arrangements as stipulated in the S&P Agreement on the Completion Date; or (iv) the Vendor is in breach of certain warranty as referred in the S&P Agreement at any time between the date of the S&P Agreement and the Completion. In such cases, the Vendor shall pay to the Purchaser an amount equal to the Deposit for cases (i) to (iii) and the Vendor shall pay to the Purchaser an amount equal to the 50% of the Deposit for case (iv) (which amount is a genuine pre-estimate of the losses suffered by the Purchaser in such circumstances and therefore constitutes liquidated damages payable by the Vendor) within 10 Business Days after the date of the Purchaser's written notice terminating the S&P Agreement and the Purchaser shall be entitled to the Deposit and such Deposit (together with all accrued interest) shall be released from the Vendor's Bank Account and paid to the Purchaser.

In addition, if the Condition 1 is not satisfied by the Long Stop Date and the S&P Agreement is terminated by either the Purchaser or the Vendor, the Vendor shall pay to the Purchaser the cost reimbursement in an amount not more than RMB3,000,000 in relation to the professional fees, costs and disbursement incurred by the Purchaser regarding the Disposal pursuant to the terms of engagement agreed with each respective professional advisor engaged by the Purchaser.

The Purchaser may also terminate the S&P Agreement by providing written notice to the Vendor, if at any time between the date of the S&P Agreement and the Completion, if (i) the PRC Property suffers any material property damage; or (ii) the PRC Property is subject to or affected by a compulsory acquisition by any government authorities or any resolution, proposal or written notice of any potential compulsory acquisition from any government authorities. In such cases, the Purchaser shall be entitled to the Deposit and such Deposit (together with all accrued interest) shall be released from the Vendor's Bank Account and paid to the Purchaser, upon which the Vendor shall have no further liability under the S&P Agreement.

Termination by the Vendor

If the Condition 13 is not satisfied within 10 Business Days after the date of the S&P Agreement, the Vendor may terminate the S&P Agreement by providing written notice to the Purchaser. In such case, the Purchaser shall pay to the Vendor an amount equal to the Deposit (which amount is a genuine pre-estimate of the losses suffered by the Vendor in such circumstances and therefore constitutes liquidated damages payable by the Purchaser) within 10 Business Days after the date of such termination written notice.

The Vendor may also terminate the S&P Agreement by providing written notice to the Purchaser, if (i) any of the Conditions 12 and 14 is not satisfied or waived on or by the Long Stop Date; or (ii) the Purchaser is in breach of any of its obligations in respect of the certain completion arrangements as stipulated in the S&P Agreement on the Completion Date, the Vendor shall be fully entitled to the Deposit (which amount is a genuine pre-estimate of the losses suffered by the Vendor in such circumstances and therefore constitutes liquidated damages payable by the Purchaser) and any other amount (including accrued interest) in the Vendor's Bank Account and the Purchaser shall have no right to claim against the Vendor for a return of the Deposit (including accrued interest).

Others

If the S&P Agreement is terminated due to the Condition 1 is not satisfied on or by the Long Stop Date provided that the Company has used its best endeavours to convene the SGM by the date of 45 Business Days after the date of the S&P Agreement or if any of the Conditions 10 and 11 is not satisfied or waived on or by the Long Stop Date, the Purchaser shall be entitled to the Deposit and such Deposit (together with all accrued interest) shall be released from the Vendor's Bank Account and paid to the Purchaser, upon which the Vendor shall have no further liability under the S&P Agreement.

Completion

Completion shall take place on the 12th Business Day following the satisfaction or waiver of all Conditions (other than Conditions that, by their nature, can only be satisfied at Completion, but subject to such Conditions being satisfied or waived at Completion) or such other date as may be agreed by the Vendor and the Purchaser in writing.

Upon Completion, the Vendor will cease to hold any equity interest in the Target Company and the results of the Target Company will no longer be consolidated into the consolidated financial statements of the Vendor.

INFORMATION ON THE TARGET COMPANY, THE PRC PROPERTY AND ZUYING INVESTMENT

The Target Company is a company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Vendor. The Target Company is principally engaged in property investment. As at the date of this announcement, the Target Company legally owns (including all beneficial interests) (i) the PRC Property and the exclusive right to use the Car Parks; and (ii) Zuying Investment.

The Target Company, holding the PRC Property at then, was acquired by the Group in 2013 from an independent third party at a consideration of RMB708 million (equivalent to approximately HK$897 million at the then exchange rate). Please refer to the announcement and circular of the Company dated 17 October 2013 and 18 November 2013 respectively, for further details.

The PRC Property is a 27-storey commercial building located at Nos. 828, 846 and 868 Changshou Road, Putuo District, Shanghai, PRC with a total gross floor area of 31,697.17 sq.m. As at the date of this announcement, the PRC Property comprises a 3-storey retail podium at the 1st to 3rd floors (approximately 96% are rented out) and offices at the unit 402, 5th to 27th floors (approximately 89% are rented out). The Target Company possesses the valid legal title (including but not limited to the Real Estate Ownership Certificates of the PRC Property) and as at the date of this announcement, the PRC Property is subject to certain mortgages with financial institutions in respect of the Outstanding Banking Facilities. The PRC Property is currently classified as investment properties in the consolidated financial statements of the Group.

The Car Parks consists of a civil air-defense shelter and 151 parking spaces with a total gross floor area of 4,496.69 sq.m. currently held by an independent third party. The Target Company has the Car Parks exclusive usage rights.

Zuying Investment is established in the PRC and is wholly-owned by the Target Company as at the date of this announcement. Zuying Investment is principally engaged in investment consulting, business information consulting, enterprise management consulting, real estate brokerage, property management and carpark operations.

Based on the unaudited consolidated management account of the Target Group, the net profit before and after taxation and extraordinary items of the Target Group for the two years ended 31 March 2015 and 31 March 2016 are as follows:

	For the years ended 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Net profit before taxation and extraordinary items	224,149	175,250
Net profit after taxation and extraordinary items	165,331	118,141

The unaudited net asset value of the Target Group as at 31 December 2016 was approximately HK$486 million.

INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

The Group is principally engaged in stockholding and distribution of construction materials such as steel products; trading of sanitary wares, kitchen cabinets and engineering plastics; steel recycling and property business.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Since the acquisition of the PRC Property in 2013, the Company has carried out value enhancement works and tenant upgrade on the PRC Property, resulting in approximately 91% increase in the gross rental revenue.

The Directors are of the view that (i) the current market presents a good opportunity for the Group to realise its investment in the PRC Property through the Disposal; and (ii) the Disposal allows the Group to enhance its working capital and liquidity.

The net cash proceeds from the Disposal, after deducting the Facilities Payment Amount in relation to the Target Group in the amount of approximately HK$834.4 million and the estimated expenses in relation to the Disposal, will amount to approximately HK$520 million. It is currently intended that approximately 54% of the net proceeds will be applied for loan repayment (other than the Outstanding Banking Facilities) and the remaining 46% will be used as working capital for the Remaining Group. Accordingly, the Disposal will enable the Group to increase its working capital and reduce its bank borrowings, to improve its liquidity and strengthen the overall financial position and to facilitate its future development should opportunities arise.

Based on the net asset value of the Target Group as at 31 December 2016 as recorded in the Group's unaudited consolidated management account, it is expected that completion of the Disposal will generate a pre-tax gain of approximately HK$193 million for the Group after taking into account the estimated expenses in relation to the Disposal, subject to the adoption of the actual exchange rate between HK$ and RMB on the Completion Date.

On the basis of the above factors, the Directors are of the view that the terms of the S&P Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon the Completion, the Target Group will cease to be subsidiaries of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other matters, (i) further details of the S&P Agreement and the transaction contemplated thereunder; (ii) a valuation report on the PRC Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) the notice of the SGM to approve the Disposal, will be despatched to the Shareholders on or before 28 February 2017 in order to allow sufficient time for the Company to prepare the necessary information to be included in the circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and therefore no Shareholder is required to abstain from voting in respect of the proposed resolution approving the S&P Agreement and the transactions contemplated thereunder at the SGM.

The Completion is subject to the satisfaction and/or waiver of the Conditions and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise defined, terms used in this announcement shall have the following meanings:

"2013 Facility"	a HK$580,000,000 term credit facility made available by IBT and three other financial institutions as original lenders to the Target Company pursuant to a facility agreement dated 1 November 2013 (as supplemented by a supplemental agreement dated 6 November 2015) between, amongst others, the Target Company as borrower, the Company and the Vendor as guarantors
"2015 Facility"	a US$38,700,000 term credit facility made available by IBT as original lender to the Target Company pursuant to a facility agreement dated 6 November 2015 between, amongst others, the Target Company as borrower, the Company and the Vendor as guarantors
"Adjustment"	the adjustment to the Consideration as set out in the sub-section headed "The S&P Agreement – Adjustment to the Consideration" in this announcement
"Board"	the board of Directors
"Business Day(s)"	a day (other than a Saturday, Sunday or a public holiday) when commercial banks are open for ordinary banking business in the BVI, Hong Kong, Luxemburg and the PRC
"BVI"	the British Virgin Islands
"Car Parks"	the car parks located at No. 9 of Lane 822, 828, 846, 868 Changshou Road, Putuo District, Shanghai, PRC of which the Target Company has exclusive right to use pursuant to three exclusive use right agreements entered into between the Target Company and an independent third party in 2005, 2013 and 2013, respectively

"Company"	Hong Kong Shanghai Alliance Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and conditions of the S&P Agreement
"Completion Amount"	the US$ equivalent of the Consideration less the US$ amount deposited in the Vendor's Bank Account
"Completion Date"	the date of which Completion is to take place in accordance with the terms and conditions of the S&P Agreement
"Completion NAV"	the amount of net assets of the Target Group on the Completion Date as set out in the Net Asset Value Statement
"Conditions"	the conditions precedent to the Completion as set out in the sub-section headed "The S&P Agreement – Conditions precedent" in this announcement and each a "Condition"
"Consideration"	has the meaning ascribed to it under the sub-section headed "The S&P Agreement – Consideration" in this announcement
"Deposit"	has the meaning ascribed to it under the sub-section headed "The S&P Agreement – Consideration" in this announcement
"Directors"	the directors of the Company
"Disposal"	the proposed disposal of the Sale Share by the Vendor to the Purchaser pursuant to the terms and conditions of the S&P Agreement
"Estimated NAV"	RMB630,864,180, being the amount of net asset value of the Target Group as at 30 November 2016, adjusted with the fair value adjustment of the PRC Property
"Facilities Payment Amount"	has the meaning ascribed to it under the sub-section headed "The S&P Agreement – Consideration" in this announcement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"IBT"	O-Bank Co., Ltd., formerly known as Industrial Bank of Taiwan Co., Limited (台灣工業銀行股份有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Long Stop Date"	31 March 2017, which shall be automatically extended for one month if either (i) the Condition 1 as set out in the sub-section headed "The S&P Agreement – Conditions precedent" in this announcement is not satisfied on or by 31 March 2017 due to any delay in the review process by the Stock Exchange; or (ii) the Condition 11 as set out in the sub-section headed "The S&P Agreement – Conditions precedent" in this announcement is not satisfied on or by 31 March 2017
"Net Asset Value Statement"	the statement to be prepared to set out the assets and the liabilities of the Target Group on a consolidated basis on the Completion Date
"Outstanding Banking Facilities"	the 2013 Facility and the 2015 Facility
"PRC"	the People's Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Property"	the office tower known as "Central Park" (中港匯大廈) (save for the Property Management Units), which is located at Nos. 828, 846 and 868 Changshou Road, Putuo District, Shanghai, PRC and is legally and beneficially owned by the Target Company as at the date of this announcement
"Property Management Units"	units 401 (for usage of property management) and 403 (for usage of owner's committee) located at No. 868 Changshou Road, Putuo District, Shanghai, the PRC
"Purchaser"	Lumion (B.V.I.) Limited, a company incorporated in the BVI with limited liability, being the purchaser under the Disposal
"Remaining Group"	the Group excluding the Target Group
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Share"	one issued share in the share capital of the Target Company, being the entire issued share capital of the Target Company, which is legally and beneficially held by the Vendor

"SGM"	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the S&P Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholders"	holders of the Shares
"S&P Agreement"	the share sale and purchase agreement dated 26 January 2017 entered into amongst the Vendor, the Purchaser and the Company in relation to the Disposal
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	EASTLINK INTERNATIONAL INVESTMENT INC.(東聯國際投資有限公司), a company incorporated in the BVI with limited liability and is wholly-owned by the Vendor
"Target Group"	the Target Company and Zuying Investment
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor"	VSC China Property Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company, being the vendor under the Disposal
"Vendor's Bank Account"	has the meaning ascribed to it under the sub-section headed "The S&P Agreement – Consideration" in this announcement
"VSC (Shanghai)"	has the meaning ascribed to it under the sub-section headed "The S&P Agreement – Conditions precedent" in this announcement
"Zuying Investment"	祖盈投資諮詢(上海)有限公司(Zuying Investment Consultancy (Shanghai) Co. Ltd.*), a limited liability company established in the PRC and wholly-owned by the Target Company as at the date of this announcement
"sq. m."	square metre
"%"	per cent.

On Behalf of the Board
Hong Kong Shanghai Alliance Holdings Limited
Yao Cho Fai Andrew
Chairman

Hong Kong, 26 January 2017

* *for identification purpose only*

For the purpose of this announcement, the translation of RMB into HK$ is based on the approximate exchange rate of RMB1.00 equal to HK$1.124. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

As at the date of this announcement, the Board comprises Mr. Yao Cho Fai Andrew, Ms. Luk Pui Yin Grace and Mr. Lau Chi Chiu (being the executive Directors); Mr. Dong Sai Ming Fernando (being the non-executive Director); Mr. Tam King Ching Kenny, Mr. Xu Lin Bao, Mr. Tse Lung Wa Teddy and Mr. Yeung Wing Sun Mike (being the independent non-executive Directors).