

**Shun Tak expands its presence in Singapore
through acquisition of prime commercial development**

January 25, 2017- Hong Kong-- Shun Tak Holdings Limited (“The Group”, HKEX stock code: 242) is pleased to announce that it has acquired 70% interest in a premium commercial development located at 111 Somerset Road, with the remaining 30% to be held by Perennial Singapore Investment Holdings Pte. Ltd., a subsidiary of Perennial Real Estate Holdings Limited. (“PREH”). PREH is a Singapore based real estate developer and the Group’s longstanding strategic partner in both its Tongzhou and Hengqin integrated projects.

The commercial complex has a gross floor area of approximately 766,550 square feet. It is in close proximity to Orchard Road, surrounded by a prime shopping, entertainment and tourism belt with direct MRT access. The property is currently undergoing a substantial asset enhancement program with anticipated completion in late 2018/early 2019, after which, it will comprise a total net strata area of approximately 572,000 square feet, including 13 stories of strata office units, 2 stories of strata medical suites and office units and 2 levels of retail podium. The development is serviced by two levels of basement car parks.

Total consideration of the transaction amounts to approximately SGD 350 million (HKD 1,915 million). It is proposed that 61% of the equity share will be settled by cash, while another 9% currently held by the Group’s connected person, is to be financed via the issuance of Consideration Shares subject to approval from the Group’s shareholders.

Currently, the retail portion has been vacated for renovation, while the offices are approximately 75% leased. The joint venture will be adopting a flexible sell or hold strategy subject to prevailing market conditions.

The Group believes the Singapore office market will remain healthy in the medium to long run backed by sound government policy and solid underlying fundamentals. Moreover, Grade A office transactions have been active over recent months, indicating general market confidence despite amid a challenging cycle. The property presents an investment opportunity with attractive return potentials and short payback period, complemented by an experienced local partner which shares our investment philosophy.

The Group is pleased to build its presence and commitment in Singapore with this second property acquisition it made over the last six months. The decision is also consistent with its strategy to expand its real estate portfolio into international gateway cities. By leveraging the extensive property development and management expertise within the joint venture partnership, the Group expects to unlock significant value for this centrally located mixed-use property following the asset enhancement program, and generate optimal performance and long term return from this investment.

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