

For Immediate Release

**Shun Tak and Consortium acquire Prime Site
adjacent to Kunming South High Speed Railway
To create regional healthcare and commercial hub**

Benefitting from Kunming South HSR Station's position as Southeast Asian countries' major gateway to China and Kunming's designated role as one of China's key healthcare cities

(Hong Kong, 20 December 2018) – Shun Tak Holdings Limited (“Shun Tak” or “The Group”, HKEX stock code: 242) is delighted to announce that through its 30%-owned joint venture vehicle, Perennial HC Holdings Pte. Ltd., it has been awarded a tender by the People’s Government of Chenggong District, Kunming, Yunnan Province to develop two plots of land (“the Site”) with a total land area of approximately 65,054 square metres (“sqm”) located next to the Kunming South High Speed Railway (“HSR”) Station at a land tender price of RMB341.5 million (approximately HK\$387.5 million).

The Site

With a total maximum allowable gross floor area of approximately 627,600 sqm, the Site will be developed into a one-stop regional healthcare and commercial hub comprising medical care, eldercare, hospitality, meetings, incentives, conferences and exhibitions, and retail components.

Earlier in January 2018, the Group has entered into a joint venture agreement with a consortium of investors to invest in, acquire and develop large scale and predominantly healthcare integrated mixed-use developments in mainland China with close proximity to HSR stations, in order to capitalize upon the surging demand in world-class healthcare and medical services within the nation. Following the first acquisition in Tianjin, the Kunming project will mark its second cornerstone.

“We are very pleased to be a part of this joint venture as led by Perennial, underscored by their unique expertise and exposure in the healthcare and wellness sector. This synergistic partnership will allow our Group to extend our existing commercial, residential and hospitality portfolio, while at the same time, contributing our experience in enhancing the lifestyle offerings of the project”,

remarked Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited.

Ms. Ho added further, “Following our first integrated healthcare project in Tianjin, we are now taking our commitment one step further by expanding into Kunming, another significant city along the HSR network. Through a business strategy that complements the development of our nation, we hope to maximize our catchment potential, attract the best healthcare professionals to cultivate the hub advantage of Kunming, and efficiently deploy our resources to best service areas with the most earnest growth needs.”

Excellent Connectivity via Adjacent Kunming South HSR Station

The Site is advantageously located adjacent to the Kunming South HSR Station (“the Station”), the largest HSR station in Southwest China. The Station is equipped with 16 platforms and 30 railway tracks, with a target capacity of 128,000 daily passengers. When in full operation, the Site will enjoy excellent connectivity both nationally and internationally.

The Station currently serves two major HSR lines, being the Shanghai-Kunming Line and Yungui Line, with two future HSR Lines under planning, being the Chongqing-Kunming Line and Guangzhou-Kunming Line. As the West terminal station of the Shanghai-Kunming Line, which is the longest and most important HSR line in China as part of its National Eight Vertical and Eight Horizontal Railway Plan, the Station provides quick access to various key cities within the country, including Shanghai (approximately 11 hours), Beijing (approximately 10 hours), Guangzhou (approximately 6 hours), and other major cities such as Hangzhou, Suzhou, Wuhan, Changsha, Nanchang and Guiyang.

Under the planned Trans-Asian HSR network under China’s Belt and Road Initiatives, Kunming is also the designated HSR gateway station linking China with Southeast Asian countries such as Thailand, Laos, Vietnam, Malaysia and Singapore, via three future Fanya HSR Lines (Central Line, West Line and East Line).

Locally, the Site is located about 20 kilometres from the Kunming city centre and 25 kilometres from Kunming Changshui International Airport. It is also well-served by the operational Subway Lines 1 and 4 via the adjacent Kunming South HSR Station.

Yunnan Province's Immense Growth in Tourism and MICE Activities

Kunming is the capital city of Yunnan Province. The local government is set to support its growth into a tourism transportation hub, specializing in both traditional and medical tourism, as well as MICE activities.

Today, Yunnan Province's total population stands at over 48 million and is currently one of China's top tourist destinations, achieving a 31.9% year-on-year growth in tourist arrivals to 133 million in 2017.

Kunming has also seen spectacular growth in MICE activities, with a total of over 26,000 local and international events held in 2017.

With the strong growth trajectory of Kunming and its strategic role in the nation's development, it is expected that the project will be a timely complement to fulfill the progressive demand in healthcare and economic needs of the region.

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