

**For Immediate Release**

## **Shun Tak enters strategic partnership with CR Land To develop Shanghai Suhe Bay mixed-use development project**

**Hong Kong, 4 December 2019** – Shun Tak Holdings Limited (“Shun Tak” or “The Group”, HKEX stock code: 242) is pleased to announce that together with its joint venture partner, Shanghai Zhonghong Real Estate Company Limited., a subsidiary of China Enterprise Company Limited (“CECL”), it was the only bidder for the public tender of the 50% equity interest in a mixed use development project located in Suhe Bay Area in Jingan District of Shanghai, with the final bid price of approximately RMB 4,712 million (or approximately HKD 5,243 million). The Group holds 80% interest of the joint venture partnership, which translates into a 40% effective interest in the Suhe Bay Area mixed-use development project. China Resources Land Limited (“CR Land”), the largest shareholder of the project, holds the remaining 50% effective interest.

“Shun Tak has a strong track record in cultivating strategic relationships with reputable partners. Our experience in the development and operation of tourism destinations is highly complementary to CR Land’s core strengths in executing large scale retail projects and established local relationships” remarked Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited. “Through this partnership, the Group will be able to add a portfolio of operating assets that contribute to its ongoing income, as well as harnessing capital appreciation potentials over the long run.”

The Project, located along Tiantong Road of Suhe Bay Area in Jingan District of Shanghai, comprises of four land plots with a total site area of approximately 24,913 square metre and a total developable gross floor area of approximately 328,913 square metre. Situated in one of the core commercial areas of Shanghai, the Project is adjacent to major tourism destinations such as the Bund and the People’s Square, as well as established central business districts including Nanjing West Road and Lujiazui. Furthermore, it is well served by the public transportation network, with direct connection to Tiantong Road subway station

served by Metro Line no. 10 and no. 12.

Suhe Bay Area is a government led urban renewal redevelopment area with the strategic objective of fostering an integrated community amalgamating international business, cultural, leisure and residential functions. The Project is set to become one of the landmark developments in the area to accomplish the above vision. Under the current plan, one of the land plots located in the north side comprises residential towers, office towers, and low-rise commercial buildings. Meanwhile, the remaining land plots located in the south side comprise a super high-rise 200 metre office building, an underground shopping mall, and a public park which is set to become one of the major recreational areas in Suhe Bay.

Upon completion, all office, commercial and residential developments in the north side are intended for sale. On the other hand, the retail and office developments in the south side are intended for generating long-term rental income. The retail component will be managed by CR Land under one of its brands. Currently under construction, the Project is expected to be completed by phases from 2021.

The Group's joint venture partner, CECL, is an established state-owned developer listed on Shanghai Stock exchange. China Resources Land Limited, the major shareholder of the project, is also one of the most influential state-owned integrated real estate developers and commercial landlords in mainland China, with its flagship mall brand MixC operating projects in more than 20 cities in mainland China.

With the healthy growth trajectory of Shanghai, the site's central location, the short completion lead time and above all, the unparalleled strength and experience of our partners in China's mixed-use development market, the Group identifies this acquisition as a compelling opportunity to expand its foothold in Shanghai, completing a well-balanced portfolio that cover residential, commercial, hospitality, tourism and cultural sectors. This project represents the second mixed-use landmark development invested by the Group in Shanghai, following the Pudong Qiantan mixed use development which was acquired in year 2016. Further to an acquisition of two hotel properties within the Shanghai MixC in Minhang district developed by CR Land in year 2015, the current undertaking

marks the first full-scale strategic partnership between the two companies.

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