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JOY CITY PROPERTY LIMITED

大悅城地產有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 207)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN COFCO HOTEL (BEIJING)

THE DISPOSAL

The Board announces that on December 8th, 2017, Rich Harbour and COFCO BVI 17 (as sellers), both of which are wholly-owned subsidiaries of the Company, have confirmed with the Buyer the disposal of the entire equity interest in COFCO Hotel (Beijing) offered for sale through Public Sale on the Shanghai Equity Exchange for the Consideration of approximately RMB1,360,000,000. In addition to the payment of the Consideration, the Buyer will be obliged to repay the shareholders' loans of an aggregate amount of approximately RMB895,600 and the loans owing to the Group of approximately RMB622,730,000, therefore the total cash proceeds that the Company expects to receive as a result of the Disposal at Completion will be approximately RMB1,983,625,600. The definitive agreement in relation to the Disposal is expected to be entered into on or before 31 December 2017. COFCO Hotel (Beijing) is principally engaged in the investment and management of the W Hotel Beijing Chang'an in the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are all less than 25%, the transaction contemplated under the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board announces that on December 8th, 2017, Rich Harbour and COFCO BVI 17 (as sellers), both of which are wholly-owned subsidiaries of the Company, have confirmed with the Buyer on the disposal of the entire equity interest in COFCO Hotel (Beijing) offered for sale through Public Sale on the Shanghai Equity Exchange for the Consideration of approximately RMB1,360,000,000. The Consideration was determined based on the highest bidding price submitted by potential buyers through the Public Sale on the Shanghai Equity Exchange.

In addition to the payment of the Consideration, the Buyer will be obliged to repay the shareholders' loans of an aggregate amount of approximately RMB895,600 and the loans owing to the Group of approximately RMB622,730,000, therefore the total cash proceeds that the Company expects to receive as a result of the Disposal at Completion will be approximately RMB1,983,625,600 to the sellers. The definitive agreement in relation to the Disposal is expected to be entered into on or before 31 December 2017, which will set out the major terms and conditions of the Disposal.

As at the date of this announcement, the Company is indirectly interested in COFCO Hotel (Beijing), which is held as to 65% and 35% by Rich Harbour and COFCO BVI 17, respectively, and the Group will cease to hold any interest in COFCO Hotel (Beijing) upon Completion and thus COFCO Hotel (Beijing) will cease to be a subsidiary of the Company upon Completion. Accordingly, the financial results of the COFCO Hotel (Beijing) will no longer be consolidated into the Group's financial statements upon Completion.

INFORMATION ON COFCO HOTEL (BEIJING)

COFCO Hotel (Beijing) is a company established in the PRC with limited liability and is principally engaged in the investment and management of the W Hotel Beijing Chang'an in the PRC. The W Hotel Beijing Chang'an is located at no. 2, Jianguomen South Street, Chaoyang District, Beijing and comprises of 21 floors with five levels underground with a total site area of approximately 6,746.29 sq.m. and a total gross floor area of approximately 62,805 sq. m. In addition, the W Hotel Beijing Chang'an has 349 hotel guest rooms, catering facilities, conference facilities and car parks.

For the financial year ended 31 December 2015, the consolidated net loss before and after taxation of COFCO Hotel (Beijing) were approximately RMB148,070,000 and RMB148,070,000, respectively. For the financial year ended 31 December 2016, the consolidated net loss before and after taxation of COFCO Hotel (Beijing) were approximately RMB96,140,000 and RMB96,140,000, respectively.

The consolidated net asset value of COFCO Hotel (Beijing) as at 30 April 2017 was approximately RMB377,130,000, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in development, operation, sales, leasing and management of mixed-use complexes and commercial properties in the PRC. The Directors are of the view that the Disposal offers an opportunity for the Company to realise its investment in COFCO Hotel (Beijing) after considering that, among others, the W Hotel Beijing Chang'an is in its early stages of operations and has been loss making the past two years and the expected gain and total cash proceeds to the Group as further discussed below.

Upon Completion, the Group will cease to hold any interest in COFCO Hotel (Beijing) upon Completion and the financial results of the COFCO Hotel (Beijing) will no longer be consolidated into the Group's financial statements upon Completion. On such basis, the Group is expected to record a gain of approximately RMB982,870,000, which calculation is based on the difference between the Consideration and the consolidated net asset value of COFCO Hotel (Beijing) as at 30 April 2017. The actual gain or loss as a result of the Disposal to be recorded by the Group may fluctuate depending on the actual date of Completion and is subject to audit and will be reassessed after Completion. The Company expects to receive total cash proceeds of approximately RMB1,983,625,600 at Completion as a result of the Disposal, being the aggregate of the Buyer's commitment to pay the Consideration, the shareholders' loans and the loans owing to the Group at Completion. The Company intends to use the proceeds from the Disposal for general working capital of the Group.

The Directors consider that the Disposal is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable.

INFORMATION ON THE PARTIES

The Company is an investment holding company incorporated in Bermuda. The Group is principally engaged in development, operation, sales, leasing and management of mixed-use complexes and commercial properties in the PRC. The Group develops, holds and operates various property projects in the PRC and Hong Kong.

Rich Harbour is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. Rich Harbour is principally engaged in the investment in COFCO Hotel (Beijing).

COFCO BVI 17 is a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. COFCO BVI 17 is principally engaged in the investment in COFCO Hotel (Beijing).

The Buyer is Tianfu Fund Management Co., Ltd., a company incorporated in Chengdu with limited liability, which is principally engaged in investment holding. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Buyer and its ultimate beneficial owner is an independent third party of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are all less than 25%, the transaction contemplated under the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors
“Buyer”	Tianfu Fund Management Co., Ltd. (天府基金管理有限責任公司), a company incorporated in Chengdu with limited liability
“COFCO BVI 17”	COFCO (BVI) No. 17 Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“COFCO Hotel (Beijing)”	COFCO Hotel (Beijing) Co., Ltd.* (中糧酒店(北京)有限公司), a company established in the PRC with limited liability and held as to 65% and 35% by Rich Harbour and COFCO BVI 17, respectively, as at the date of this announcement
“Company”	Joy City Property Limited (大悅城地產有限公司), a company incorporated under the laws of Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal

“Consideration”	RMB1,360,000,000, being the price for the entire equity interest of COFCO Hotel (Beijing) after Public Sale through the Shanghai Equity Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire equity interest of COFCO Hotel (Beijing) by Rich Harbour and COFCO BVI 17 through Public Sale
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Public Sale”	the public sale of the entire equity interest in COFCO Hotel (Beijing) through the Shanghai Equity Exchange (上海聯合產權交易所) in accordance with the relevant laws and regulations of the PRC in respect of the disposal of state-owned assets
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rich Harbour”	Rich Harbour Enterprises Limited (利港企業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

In this announcement, unless the context requires otherwise, the terms “connected person(s)”, “percentage ratio” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules.

** English translations of the names are provided for ease of reference only and they are not official English names of the companies and authority concerned.*

By order of the Board
Joy City Property Limited
 Zhou Zheng
 Chairman

The PRC, 8 December 2017

As at the date of this announcement, the Board comprises Mr. ZHOU Zheng (Chairman) and Mr. CAO Ronggen as executive directors; Ms. WU Xiaohui, Mr. JIANG Chao, Mr. ZENG Xianfeng and Mr. JIA Peng as non-executive directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. WU Kwok Cheung, MH as independent non-executive directors.