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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)

CONNECTED TRANSACTION ACQUISITION OF 35% EQUITY INTEREST IN BEIJING KUNTING ASSETS MANAGEMENT CO., LTD

EQUITY TRANSFER AGREEMENT

On 1 December 2015, Xidan Joy City, an indirect wholly-owned subsidiary of the Company, entered into an Equity Transfer Agreement with China Native Produce and Animal By-products, pursuant to which Xidan Joy City agreed to acquire and China Native Produce and Animal By-products agreed to sell 35% equity interest in the Target Company, for a Consideration of RMB569,870,000 (equivalent to approximately HK\$690,454,492).

Upon Completion, the Target Company will be owned as to 65% and 35% by Xidan Joy City and China Native Produce and Animal By-products, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COFCO Corporation, the ultimate controlling shareholder of the Company, owns 100% equity interest in China Native Produce and Animal By-products. China Native Produce and Animal By-products is a fellow subsidiary of the Company. Under Chapter 14A of the Listing Rules, China Native Produce and Animal By-products is a connected person of the Company and the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but are less than 5%, the Equity Transfer Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the independent shareholders' approval requirement under the Listing Rules.

The Board announces that on 1 December 2015, Xidan Joy City, an indirect wholly-owned subsidiary of the Company, entered into an Equity Transfer Agreement with China Native Produce and Animal By-products, pursuant to which Xidan Joy City agreed to acquire and China Native Produce and Animal By-products agreed to sell 35% equity interest in the Target Company, for a Consideration of RMB569,870,000 (equivalent to approximately HK\$690,454,492).

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EQUITY TRANSFER AGREEMENT

Date

1 December 2015

Parties

- (i) Xidan Joy City
- (ii) China Native Produce and Animal By-products

Interests to be acquired

35% equity interest in the Target Company

Consideration

The Consideration is RMB569,870,000 (equivalent to approximately HK\$690,454,492) payable within 50 Business Days upon the Equity Transfer Agreement becomes effective. The Consideration was determined after arm's length negotiations between the parties of the Equity Transfer Agreement and with reference to the appraised value of the Property held by the Target Company as at 31 October 2015, being RMB1,430,000,000 (equivalent to approximately HK\$1,732,588,000), as stated in the valuation report issued by Savills, an independent property valuer, and the financial status of the Target Company.

The Consideration will be funded by internal resources of Xidan Joy City.

Completion

Completion of the transfer of the Target Equity Interest shall take place upon the procedures of changes in industry and commercial registration of the equity transfer contemplated under the Equity Transfer Agreement having completed.

Conditions Precedent

The Equity Transfer Agreement shall become effective upon the fulfilment of the following conditions precedent:

- (i) the Equity Transfer Agreement being signed or stamped by both parties;
- (ii) the approval from COFCO Corporation being obtained.

INFORMATION ON THE TARGET COMPANY

The Target Company, a company incorporated in the PRC with limited liability, is an indirect non wholly-owned subsidiary of the Company. As at the date of this announcement, the Target Company is owned as to 30% and 70% by Xidan Joy City and China Native Produce and Animal By-products, respectively. The Target Company engages in the management and development of the Andingmen Project.

Set out below is the basic financial information of the Target Company prepared in accordance with the PRC accounting standards:

Audited net assets as at 31 December 2014	RMB959,609,979.25 (equivalent to approximately HK\$1,162,663,451)
Audited net assets as at 31 December 2013	RMB213,739,288.98 (equivalent to approximately HK\$258,966,523)
Audited total assets as at 31 December 2014	RMB961,621,488.18 (equivalent to approximately HK\$1,165,100,595)
Audited total assets as at 31 December 2013	RMB214,777,213.18 (equivalent to approximately HK\$260,224,071)
Audited net loss (before taxation) for the year ended 31 December 2014	RMB6,152,309.73 (equivalent to approximately HK\$7,454,138)
Audited net loss (before taxation) for the year ended 31 December 2013	RMB1,124,431.02 (equivalent to approximately HK\$1,362,361)
Audited net loss (after taxation) for the year ended 31 December 2014	RMB6,152,309.73 (equivalent to approximately HK\$7,454,138)
Audited net loss (after taxation) for the year ended 31 December 2013	RMB1,124,431.02 (equivalent to approximately HK\$1,362,361)

REASONS FOR ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Group is principally engaged in the development, operation, sale, leasing and management of mixed-use complexes and commercial properties.

The Andingmen Project is located in the prime area adjacent to the Second Ring Road in Dongcheng District of Beijing and is at the preliminary stage of construction. In consideration of the strategic location and enormous potential of the Andingmen Project, it is expected to achieve better financial return upon completion of the project. The Directors consider that the Acquisition will further increase the total assets scale of the Group, strengthen the future financial performance of the Group, and enhance the Group's ability to generate stable and sustainable returns.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Equity Transfer Agreement are on normal commercial terms and that such terms are fair and reasonable as well as in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interest in the Equity Transfer Agreement and thus no Director was required to abstain from voting on the relevant board resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COFCO Corporation, the ultimate controlling shareholder of the Company, owns 100% equity interest in China Native Produce and Animal By-products. China Native Produce and Animal

By-products is a fellow subsidiary of the Company. Under Chapter 14A of the Listing Rules, China Native Produce and Animal By-products is a connected person of the Company and the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceed 0.1% but are less than 5%, the Equity Transfer Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the independent shareholders' approval requirement under the Listing Rules.

INFORMATION ON THE PARTIES

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 27 property projects in 8 cities, including Beijing, Shanghai, Tianjin, Sanya, Chengdu and Hong Kong. The Company is an investment holding company incorporated in Bermuda.

COFCO Corporation, as the controlling shareholder of the Company, is a state-owned enterprise incorporated in the PRC in September 1952 under the purview of State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) and is a world's leading supplier of diversified products and services in the agricultural products and food industry.

Xidan Joy City, a company incorporated in the PRC with limited liability, is an indirect wholly-owned subsidiary of the Company and is principally engaged in operation and leasing of property.

China Native Produce and Animal By-products, as a wholly-owned subsidiary of COFCO Corporation, is a large scale state-level enterprise dealing with native produce, animal by-products and tea in China at the moment which is principally engaged in production and sales of native produce, animal by-products and tea in the field of agricultural products trade.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisition”	the acquisition of the Target Equity Interest
“Andingmen Project”	the commercial project located in Dongcheng District of Beijing, and is in proximity to the entrance of Andingmen subway station of No. 2 subway line of the Beijing metro system, with a total site area of 13,030.28 sq.m.
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday) and any day on which banks in PRC are generally open for business
“China Native Produce and Animal By-products”	China National Native Produce and Animal By-Products Import & Export Corporation*(中國土產畜產進出口總公司), a company incorporated in the PRC, a wholly-owned subsidiary of COFCO Corporation
“COFCO Corporation”	中糧集團有限公司(COFCO Corporation), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)

“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 Acquisition
“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the consideration of RMB569,870,000 for the Acquisition
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Transfer Agreement”	an equity transfer agreement dated 1 December 2015 entered into between Xidan Joy City and China Native Produce and Animal By-products.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“percentage ratios”	has the meaning given to it under in Rule 14.07 of the Listing Rules
“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
“Property”	a parcel of land located at No. 208 Andingmenwai Main Street, Dongcheng District, Beijing, the PRC which held by the Target Company for the development of the Andingmen Project
“RMB”	Renminbi, the lawful currency of the PRC
“Savills”	Savills Valuation and Professional Services Limited, an independent property valuer appointed by the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	北京昆庭資產管理有限公司 (Beijing Kunting Assets Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company which, as at the date of this announcement, is owned as to 30% by Xidan Joy City and 70% by China Native Produce and Animal By-products, respectively, and manages and develops the Andingmen Project
“Target Equity Interest”	35% equity interest in the Target Company

“Xidan Joy City”

西單大悅城有限公司(Xidan Joy City Co., Ltd.*), a company incorporated in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company

“%”

per cent

For the purpose of this announcement and for illustration only, the exchange rate of RMB1.00 = HK\$1.2116 has been used, where applicable. No representation is made that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.

** 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, 1 December 2015

As at the date of this announcement, the Board comprises Mr. ZHOU Zheng and Mr. HAN Shi as Executive Directors; Mr. MA Jianping, Mr. MA Wangjun, Ms. JIANG Hua and Ms. WU Xiaohui 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.