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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)

PROFIT WARNING

This announcement is made by Joy City Property Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and other information currently available, the Group is expected to record an approximately 50% to 60% decrease in the profit for the year ended 31 December 2015, as compared to that recorded for the year ended 31 December 2014.

Based on the information currently available, the Board believes that such decrease was attributable to (a) as to approximately 70% of the decrease, the substantial lesser increase in the fair value revaluation before tax of the Group’s investment properties for the year ended 31 December 2015 as compared with that for the corresponding period in 2014; (b) the exchange losses arising from the depreciation of Renminbi; and (c) the decrease in revenue from the sales of the properties for the year ended 31 December 2015 resulted from the decrease of averaged selling price due to the changes in product mix of the delivered projects.

The Group expects that the core net profit (the profit excluding the increase in the fair value revaluation of the investment properties and the related tax effect and foreign exchange loss/gain) for the year ended 31 December 2015 increased by approximately 15% to 20% as compared with that for the corresponding period in 2014.

Notwithstanding the above factors which are expected to have a negative impact on the Group’s profit for the year ended 31 December 2015, the increase in the fair value revaluation of the investment properties is a non-cash item and therefore the Board expects that the decrease of this item will not have any material adverse effect on the Group operation, the operating results of the Group’s principal business of the development, operation, leasing and management of mixed-use complexes and commercial properties had attained a reasonable growth.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and other information currently available, which will be subject to final review by the Company’s auditors and/or its audit committee, and may be subject to adjustment. Detailed audited financial information of the Group for the year ended 31 December 2015 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the ordinary shares of the Company.

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

The PRC, 1 March 2016

As at the date of this announcement, the Board comprises Mr. ZHOU Zheng (Chairman) as executive director; 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.