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

EQUITY TRANSFER AGREEMENT

On 26 April 2016, Xidan Joy City, an indirect wholly-owned subsidiary of the Company, entered into the 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 the remaining 35% equity interest in the Target Company not already owned by Xidan Joy City, for a Consideration of RMB533,130,000 (equivalent to approximately HK\$637,340,921), subject to the terms and conditions of the Equity Transfer Agreement.

Upon Completion, the Target Company will be a wholly-owned subsidiary of Xidan Joy City.

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 therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the 2015 Acquisition was completed on 17 December 2015, which was within the past 12 months from the date of the Acquisition, the 2015 Acquisition and the Acquisition are aggregated in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the 2015 Acquisition and the Acquisition, when aggregated, exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction and a connected transaction of the Company, and is therefore subject to the annual reporting, announcement and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the independent Shareholders in respect of the terms of the Equity Transfer Agreement and the Acquisition. Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in this regard.

CIRCULAR AND SGM

The Company expects that the Circular containing, among others, (i) further details of the Acquisition; (ii) the letter of recommendation from the Independent Board Committee; (iii) a letter from the independent financial adviser containing its advice and recommendation to the Independent Board Committee and the independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM, will be despatched to the Shareholders on or before 17 May 2016.

WARNING

The Acquisition is subject to a number of conditions including the approval by the independent Shareholders at the SGM, which may or may not be fulfilled. In the event that any of the conditions to Completion is not fulfilled, the Equity Transfer Agreement will not come into effect and the Acquisition will not proceed.

SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

EQUITY TRANSFER AGREEMENT

The Board announces that on 26 April 2016, Xidan Joy City, an indirect wholly-owned subsidiary of the Company, entered into the 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 the remaining 35% equity interest in the Target Company not already owned by Xidan Joy City, for a Consideration of RMB533,130,000 (equivalent to approximately HK\$637,340,921), subject to the terms and conditions of the Equity Transfer Agreement.

Upon Completion, the Target Company will be a wholly-owned subsidiary of Xidan Joy City.

Major terms of the Equity Transfer Agreement are set out below:

Date

26 April 2016

Parties

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

Interests to be acquired

The remaining 35% equity interest in the Target Company not already owned by Xidan Joy City.

Consideration

The Consideration is RMB533,130,000 (equivalent to approximately HK\$637,340,921) payable before 31 December 2016 and upon Xidan Joy City and China Native Produce and Animal By-products having completed their relevant obligations under the Equity Transfer Agreement.

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 March 2016, being RMB1,450,000,000 (equivalent to approximately HK\$1,733,431,500), as stated in the valuation report issued by Savills Valuation and Professional Services Limited, an independent property valuer appointed by the Company, 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 remaining 35% equity interest in the Target Company not already owned by Xidan Joy City, being the subject of the Acquisition, shall be subject to all the conditions precedent as set out below are fulfilled and the Equity Transfer Agreement having come into effect, and shall take place upon the procedure of changes in industry and commercial registration of the Acquisition 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 Acquisition having been approved by the independent Shareholders of the Company in the SGM; and
- (iii) the Acquisition having been approved by COFCO Corporation.

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 65% and 35% 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 financial information of the Target Company prepared in accordance with the PRC accounting standards:

Audited net assets as at 31 December 2015	RMB1,062,529,084.69 (equivalent to approximately HK\$1,270,221,644.87)
Audited net assets as at 31 December 2014	RMB959,609,979.25 (equivalent to approximately HK\$1,147,184,941.89)
Audited total assets as at 31 December 2015	RMB1,065,012,247.81 (equivalent to approximately HK\$1,273,190,191.89)
Audited total assets as at 31 December 2014	RMB961,621,488.18 (equivalent to approximately HK\$1,149,589,640.47)
Audited net loss (before taxation) for the year ended 31 December 2015	RMB4,512,774.56 (equivalent to approximately HK\$5,394,886.60)
Audited net loss (before taxation) for the year ended 31 December 2014	RMB6,152,309.73 (equivalent to approximately HK\$7,354,901.71)
Audited net loss (after taxation) for the year ended 31 December 2015	RMB4,512,774.56 (equivalent to approximately HK\$5,394,886.60)
Audited net loss (after taxation) for the year ended 31 December 2014	RMB6,152,309.73 (equivalent to approximately HK\$7,354,901.71)

The investment cost of the 35% equity interest in the Target Company by China Native Produce and Animal By-products was approximately RMB376,011,500 (equivalent to approximately HK\$449,510,468).

REASONS AND BENEFIT FOR THE ACQUISITION

The Target Company holds the Property and is principally engaged in the development and operation of the Andingmen Project, which is a commercial project. The Andingmen Project is located in the prime area adjacent to the Second Ring Road in Dongcheng District of Beijing which is in close proximity to the entrance of Andingmen subway station of No. 2 subway line of the Beijing metro system. Andingmen Project is at its preliminary stage of construction and is expected to complete construction at the end of June 2018. In consideration of the strategic location and enormous potential of the Andingmen Project, it is expected to achieve significant financial return upon completion of the project. The Directors consider that the Acquisition will allow the Group to have full control of the construction and development of the Andingmen Project, which will also maximize the ownership of the assets and expected return from the Andingmen Project, strengthen the future financial performance of the Group by generating stable and sustainable returns.

The Directors (excluding the independent non-executive Directors) consider that the terms and conditions of the Equity Transfer Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. The opinions to be given by the independent non-executive Directors, after taking into account the advice from the independent financial adviser, will be included in the Circular.

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 approving the Equity Transfer Agreement and the Acquisition.

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 therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the 2015 Acquisition was completed on 17 December 2015, which was within the past 12 months from the date of the Acquisition, the 2015 Acquisition and the Acquisition are aggregated in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the 2015 Acquisition and the Acquisition, when aggregated, exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction and a connected transaction of the Company, and is therefore subject to the annual reporting, announcement and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the independent Shareholders in respect of the terms of the Equity Transfer Agreement and the Acquisition. Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in this regard.

CIRCULAR AND SGM

The Company expects that the Circular containing, among others, (i) further details of the Acquisition; (ii) the letter of recommendation from the Independent Board Committee; (iii) a letter from the independent financial adviser containing its advice and recommendation to the Independent Board Committee and the independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM, will be despatched to the Shareholders on or before 17 May 2016.

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 various property projects in the PRC, 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, 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.

WARNING

The Acquisition is subject to a number of conditions including the approval by the independent Shareholders at the SGM, which may or may not be fulfilled. In the event that any of the conditions to Completion is not fulfilled, the Equity Transfer Agreement will not become unconditional and the Acquisition will not proceed.

SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

DEFINITIONS

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

“2015 Acquisition”	the acquisition of 35% equity interest in the Target Company by Xidan Joy City for a consideration of RMB569,870,000 pursuant to an equity transfer agreement dated 1 December 2015 entered into between Xidan Joy City and China Native Produce and Animal By-products
“Acquisition”	the proposed acquisition of the remaining 35% equity interest in the Target Company not already owned by Xidan Joy City from China Native Produce and Animal By-products as contemplated under the Equity Transfer Agreement
“Andingmen Project”	the commercial project to be developed on the Property with a total site area of 13,030.28 sq.m.
“Board”	the board of Directors
“China Native Produce and Animal By-products”	中國土產畜產進出口總公司 (China National Native Produce and Animal By-Products Import & Export Corporation*), a company incorporated in the PRC, a wholly-owned subsidiary of COFCO Corporation
“Circular”	the circular to be sent to the Shareholders in relation to SGM containing, among other things, details of the Equity Transfer Agreement and the Acquisition
“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 (stock code: 00207)

“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the consideration of RMB533,130,000 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 26 April 2016 entered into between Xidan Joy City and China Native Produce and Animal By-products in relation to the Acquisition
“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
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose, <i>GBS, JP</i> , Mr. Lam Kin Ming, Lawrence and Mr. Wu Kwok Cheung, <i>MH</i> formed for the purpose of advising the independent Shareholders in respect of the Equity Transfer Agreement and the Acquisition
“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 is held by the Target Company for the development of the Andingmen Project
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the independent Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and the Acquisition
“Shareholders”	the shareholders of the Company
“sq.m.”	square metre(s)

“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 65% by Xidan Joy City and 35% by China Native Produce and Animal By-products, respectively, and manages and develops the Andingmen Project
“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\$1.19547 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, 26 April 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.