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## JOY CITY PROPERTY LIMITED

## 大悦城地產有限公司

*(incorporated in Bermuda with limited liability)*

(Stock code: 207)

### INSIDE INFORMATION

## COMMENCEMENT OF OPEN TENDER PROCESS IN RELATION TO POTENTIAL DISPOSAL OF 49% SHARES IN FORTUNE SET LIMITED, SUNNY EASE LIMITED AND VIVID STAR LIMITED

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

**Commencement of Open Tender Process in relation to potential disposal of 49% shares (the “Target Shares”) in Fortune Set Limited, Sunny Ease Limited and Vivid Star Limited (the “Target Companies”)**

The board of directors of the Company (the “**Board**”) is pleased to announce the commencement on 18 July 2016 of an open tender process at the China Beijing Equity Exchange (the “**Open Tender Process**”) in relation to a potential disposal of the Target Shares (the “**Potential Disposal**”) at a total tender price of not less than RMB9,289,000,000.

The Company will publish an announcement on 18 July 2016 in relation to the Open Tender Process (the “**Listing Announcement**”) on China Securities Journal and the website of the China Beijing Equity Exchange. The full text of the Listing Announcement is available on the website of the China Beijing Equity Exchange at <http://www.cbex.com.cn>. The Open Tender Process will last for a period of 20 business days in the People’s Republic of China (the “**PRC**”) from the date of the Listing Announcement.

## **Information about the Target Companies**

Each of the Target Companies is a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company. The Target Companies, through their subsidiaries, indirectly control all or a majority of the interests in a number of mixed-use complex property projects of the Company in the PRC.

## **Reasons for the Potential Disposal**

The Company will retain 51% shares in the Target Companies and will continue to manage the operation or development of the property projects held by the Target Companies following completion of the Potential Disposal. It is expected that another wholly-owned subsidiary of the Company will enter into operations management agreements in relation to such projects in operation and receive operations management fees from the relevant projects.

The Potential Disposal, if it proceeds, will be a major step in the direction of the Company's development strategy to combine asset management, capital operation and brand export. With the proposed operations management arrangement in relation to the projects held by the Target Companies, the Potential Disposal will further enhance the asset management capabilities and experience of the Company and its subsidiaries. The Company intends to use the proceeds from the Potential Disposal for the development of its commercial property business, as general working capital and to repay existing indebtedness, which will help to improve the capital structure of the Company and to support the steady future development of the Company and its subsidiaries.

The Board wishes to emphasize that no binding agreement with respect to the Potential Disposal has been entered into by the Company as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

**As the Company may or may not enter into a binding agreement with respect to the Potential Disposal, and even if it decides to do so, the Potential Disposal may or may not proceed to completion for various reasons. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when they deal in, or contemplate dealing in the shares or other securities of the Company.**

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

The PRC, 18 July 2016

*As at the date of this announcement, the Board comprises Mr. ZHOU Zheng 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.*