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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)

**(1) MAJOR TRANSACTION IN RELATION TO THE PROPOSED
DISPOSAL OF 49% SHAREHOLDING IN THE TARGET COMPANIES**

**(2) POSSIBLE VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE GRANT OF
THE NEW SHAREHOLDER PUT OPTION**

Financial Adviser to the Company

Morgan Stanley

Reference is made to the announcements of the Company dated 18 July 2016 and 29 July 2016 respectively. As disclosed in the announcement of the Company dated 29 July 2016, the General Partner, a wholly-owned subsidiary of the Company, had established the Fund and entered into the Limited Partnership Agreement with the Limited Partners in connection with the Fund.

SHARE PURCHASE AGREEMENT

The Board is pleased to announce that the Fund had submitted a bid for the Target Shares via the Open Tender Process and, after completion of the Open Tender Process on 12 August 2016, the Fund is confirmed to be the qualified bidder. On 18 August 2016, the Company entered into the Share Purchase Agreement with the Fund, pursuant to which the Company agreed to sell and the Fund agreed to purchase the Target Shares for a total Consideration of RMB9,289,000,000, subject to adjustment.

SHAREHOLDERS AGREEMENTS AND LIMITED PARTNERSHIP AGREEMENT

Pursuant to the terms of the Share Purchase Agreement, the Company, the Fund and each of the Target Companies will enter into a Shareholders Agreement in respect of the relevant Target Company upon Closing. The General Partner also entered into a further amended and restated Limited Partnership Agreement with the Limited Partners on 18 August 2016.

Under the circumstance as described under the paragraph headed “*Shareholders Agreements and Limited Partnership Agreement — New Shareholder Put Option*” below, the Fund (or any Limited Partner) may exercise the New Shareholder Put Option to require the Company (or the General Partner, as the case may be) to purchase all of the shares in the Target Companies held by the Fund (or the interest in the Fund held by the relevant Limited Partner, as the case may be).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Proposed Disposal exceed 25% but are less than 75%, the Proposed Disposal constitutes a major transaction of the Company, and is therefore subject to the announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As the New Shareholder Put Option is not at the Company’s discretion, pursuant to Rule 14.74 of the Listing Rules, the grant of such option will be classified as if it had been exercised. As the exercise price of the New Shareholder Put Option will be based on the Fair Market Value of the relevant shares in the Target Companies or interest in the Fund (as the case maybe) and has not been determined, the grant of the New Shareholder Put Option constitutes a possible very substantial acquisition for the Company.

The Circular containing, among other things, (i) further details of the Proposed Disposal; (ii) a property valuation report in relation to the Properties; and (iii) a notice of the SGM, is expected to be despatched on or before 25 August 2016.

The Proposed Disposal is subject to a number of conditions including the approval by the Shareholders at the SGM, which may or may not be fulfilled. In the event that any of the conditions to Closing is not fulfilled, the Share Purchase Agreement will not be completed and the Proposed Disposal 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 OF THE COMPANY.

Reference is made to the announcements of the Company dated 18 July 2016 and 29 July 2016 respectively. As disclosed in the announcement of the Company dated 29 July 2016, the General Partner, a wholly-owned subsidiary of the Company, had established the Fund and entered into the Limited Partnership Agreement with the Limited Partners in connection with the Fund.

SHARE PURCHASE AGREEMENT

The Board is pleased to announce that the Fund had submitted a bid for the Target Shares via the Open Tender Process and, after completion of the Open Tender Process on 12 August 2016, the Fund is confirmed to be the qualified bidder. On 18 August 2016, the Company entered into the Share Purchase Agreement with the Fund, pursuant to which the Company agreed to sell and the Fund agreed to purchase the Target Shares for a total Consideration of RMB9,289,000,000, subject to adjustment.

A summary of the principal terms of the Share Purchase Agreement is set out below:

Date

18 August 2016

Parties

- (i) the Company as seller; and
- (ii) the Fund as purchaser.

Save as disclosed in this announcement, and to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, the Fund and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Interests to be disposed of

The Target Shares, representing 49% of the total issued shares of each of the Target Companies as at the date of the Share Purchase Agreement.

Consideration

The Consideration is RMB9,289,000,000, subject to adjustment. A deposit of RMB930,000,000 (or its equivalent in US dollars) has been paid to the Group as surety for the Open Tender Process prior to the date of the Share Purchase Agreement. The remaining portion of the Consideration will be payable at Closing.

The Consideration was determined after arm's length negotiations between the parties to the Share Purchase Agreement and with reference to the aggregate equity attributable to owners of each of the Target Companies of RMB15,574,141,000 as at 29 February 2016

based on the consolidated audited financial statements of each of the Target Companies as at 29 February 2016 and reflective of the 49% shares in the Target Companies being disposed of in the Proposed Disposal. The Consideration represents a premium of approximately 22% over 49% of the aggregate equity attributable to owners of each of the Target Companies as set out above.

The Consideration may be adjusted to reflect, among others, the changes in the value of the net assets of the Target Companies between 29 February 2016 and the Closing Date.

Conditions precedent

Closing is conditional upon the following conditions being satisfied or waived:

- (i) the Company having obtained approval from the Shareholders for entering into the Share Purchase Agreement and the Shareholders Agreement (as applicable) and the transactions contemplated thereunder (as applicable) in such manner as required by the Listing Rules;
- (ii) subject to the terms of the Share Purchase Agreement, certain fundamental warranties made by the Company thereunder as of the date of the Share Purchase Agreement and immediately before Closing being true and correct in all respects; and
- (iii) no casualty events occurring on or before Closing which would result in substantial damages to the Properties held by the Target Companies or material reduction in the rental income of the Target Companies.

As at the date of this announcement, all of the conditions precedent set out above remain to be satisfied.

Pre-Closing undertakings

Pursuant to the Share Purchase Agreement, the Company has undertaken that it shall or shall procure that the Target Companies will, amongst other things,

- (i) operate their business in its ordinary course so as to maintain the business as a going concern between the date of the Share Purchase Agreement and the Closing Date;
- (ii) obtain all necessary third party consents required to be obtained in connection with the transactions contemplated under the Transaction Documents; and
- (iii) make applicable tax filing required to be made by the Company pursuant to Bulletin 7 on or before the Closing Date.

Closing

Closing will take place on the Closing Date (provided that the conditions as described in the paragraph headed "*Conditions precedent*" above have been satisfied or waived).

SHAREHOLDERS AGREEMENTS AND LIMITED PARTNERSHIP AGREEMENT

Pursuant to the terms of the Share Purchase Agreement, the Company, the Fund and each of the Target Companies will enter into a Shareholders Agreement in respect of the relevant Target Company upon Closing. The General Partner also entered into a further amended and restated Limited Partnership Agreement with the Limited Partners on 18 August 2016.

Corporate Governance

The board of directors of each Target Company will consist of 7 directors. The Company will have the right to nominate and appoint 4 directors. The Fund will have the right to nominate and appoint 3 directors. Certain reserved matters including, among others, liquidation, merger or consolidation, amendment of charter documents, or change of share capital of the Target Companies, will be subject to approval by all the directors appointed by the Fund and at least one director appointed by the Company.

Exit

The Company will, and will procure the Target Companies to use their commercially reasonable endeavours to effect an Exit on or before the 7th anniversary of the Closing Date. The Exit may be in the form of (i) an initial public offering on an internationally recognised stock exchange of a real estate investment trust or other holding vehicle owning all or substantially all of the assets of the Target Group, (ii) sale of all or substantially all of the assets of the Target Group or (iii) sale or otherwise dispose of all the shares in the Target Companies.

Restrictions on transfer of shares

Save for transfer to affiliates or pursuant to an Exit or Exit Event, neither the Company nor the Fund is permitted to transfer their shares in the Target Companies during the period that is 7 years from the Closing Date. After the expiry of such 7-year period or otherwise pursuant to an Exit Event and other than in connection with an Exit, any transfer of shares in the Target Companies by the Company or the Fund will also be subject to right of first offer of the other shareholder in the Target Companies.

New Shareholder Put Option

In the event that any of the Target Companies has declared any Pro Forma Dividends, but has not paid such dividends in accordance with the terms of the Shareholders Agreements, the Fund (or any Limited Partner) will have the right to exercise the New Shareholder Put Option to require the Company (or the General Partner, as the case may be) to purchase all of the shares in the Target Companies held by the Fund (or the interest in the Fund held by the relevant Limited Partner, as the case may be), at the Fair Market Value of such shares (or interest, as the case may be).

Company Call Option and New Shareholder Call/Drag Option

Upon the occurrence of an Exit Event, the Fund (or any Limited Partner) will be entitled to, among others, send a written notice to the Company (or the General Partner, as the case may be) to initiate the Company Call Option and the New Shareholder Call/Drag Option. Upon receiving such notice, the Company (or the General Partner, as the case may be) will have a 120-day period to determine whether to exercise the Company Call Option to purchase all of the shares in the Target Companies held by the Fund (or the interest in the Fund held by the relevant Limited Partner, as the case may be) at the Fair Market Value of such shares (or interest, as the case may be). Each of the Company and the Fund (or the relevant Limited Partner, as the case may be) will then appoint an internationally reputable appraiser to determine the Fair Market Value of the relevant shares in the Target Companies held by the Fund (or the interest in the Fund held by the relevant Limited Partner, as the case may be) within 90 days as described in the paragraph headed “*Fair Market Value*” below. If the Company Call Option is not exercised within the 120-day period as mentioned above or the required regulatory approval, consent or process for the Company’s purchase of the relevant shares in the Target Companies (or the General Partner’s purchase of the relevant interests in the Fund, as the case may be) is not obtained within 120 days after determination of the Fair Market Value of such shares (or interest), the Fund (or any Limited Partner) will be entitled to send a written notice to the Company within 180 days thereafter to exercise the New Shareholder Call/Drag Option to either (i) purchase all of the shares in the Target Companies held by the Company within 120 days after the determination of the Fair Market Value of such shares or (ii) require the Company to sell all of its shares in the Target Companies to such purchaser as the Fund (or the relevant Limited Partner) may identify at a price that may be agreed between the Fund (or the relevant Limited Partner) and such purchaser within another 180 days after the date of the written notice sent by the Fund (or the relevant Limited Partner) in respect of the exercise of the New Shareholder Call/Drag Option.

Fair Market Value

In the event that the New Shareholder Put Option, the Company Call Option or the New Shareholder Call/Drag Option is exercised, the Fair Market Value of the relevant shares in the Target Companies (or interest in the Fund, as the case may be) will be determined as follows: (i) the Company will appoint an internationally reputable appraiser to appraise the value of the relevant shares in the Target Companies (or interest in the Fund, as the case may be) within 90 days after the date of the Company's or the Fund's (or the relevant Limited Partner's, as the case may be) written notice in respect of the exercise of the New Shareholder Put Option, Company Call Option or the New Shareholder Call/ Drag Option (as the case may be); (ii) the Fund (or the relevant Limited Partner) will appoint an internationally reputable appraiser to appraise the value of the relevant shares in the Target Companies (or interest in the Fund, as the case may be) within the same 90-day period; and (iii) the Fair Market Value will be the average of the two valuations obtained by the Company and the Fund (or the relevant Limited Partner) above. The reference date for the two valuations as mentioned above will be the last day of the month immediately preceding the month in which the Company's or the Fund's (or the relevant Limited Partner's, as the case may be) written notice in respect of the exercise of the New Shareholder Put Option, the Company Call Option or the New Shareholder Call/ Drag Option (as the case may be) is received.

Pro Forma Dividends

Under the Shareholders Agreements, subject to and to the extent permitted under applicable laws and applicable accounting standards of the relevant Target Company, each of the Target Companies will agree to declare and pay the Pro Forma Dividends to the Company and the Fund semi-annually after the determination and approval by the board of directors of the relevant Target Company. The Pro Forma Dividends for any such six-month period will represent not less than 90% of the pro forma combined profit after tax attributable to owners of the Target Companies (adjusted to eliminate the effects of, among others, non-cash items, any PRC withholding tax and intra-group transactions) for the relevant period.

INFORMATION ON THE GROUP AND THE FUND

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

The Fund is an exempted limited partnership established in the Cayman Islands, with the General Partner as the general partner and the Limited Partners as the limited partners. The Fund is a close-ended fund whose sole purpose is to make investment in the Target Shares. The initial term of the Fund is 7 years, which may be extended by the General Partner for one year (and another year upon the expiry of the first extension) with the consent of all of the Limited Partners.

The Limited Partners of the Fund are Reco and Glorious Fortune, who have agreed to subscribe for the interests in the Fund in the total capital commitment amount of not more than the US dollar equivalent of RMB3,166,666,667 and RMB6,333,000,000, respectively, which represent all the interests in the Fund.

Reco is an indirectly wholly-owned subsidiary of GIC (Realty) Private Limited, which, through its wholly-owned subsidiaries, also owns 45% of the issued share capital of Speedy Cosmo Limited, 48.04% of the issued share capital of Joy Sincere (Hong Kong) Limited and 49% of the issued share capital of Sino Melody Limited, respectively, each of which is a non wholly-owned subsidiary of the Company. In addition, GIC Private Limited holds 1,108,732,000 ordinary shares of the Company, representing approximately 7.79% of the issued share capital of the Company as at 17 August 2016. Both GIC (Realty) Private Limited and GIC Private Limited are wholly-owned by the Minister for Finance of the Government of Singapore.

Glorious Fortune is a wholly-owned subsidiary of China Life Insurance Company Limited, which is one of the leading life insurance companies in the PRC, whose shares are listed on the Stock Exchange (stock code: 2628), the Shanghai Stock Exchange (stock code: 601628) and the New York Stock Exchange (stock code: LFC). China Life Insurance Company Limited offers individual and group life insurance, annuities, accident and health insurance products and services, and it is the beneficial owner of 174,375,000 ordinary shares of the Company, representing approximately 1.23% of the issued share capital of the Company as at the date of this announcement.

INFORMATION ON THE TARGET GROUP

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 the following six mixed-use complex property projects in the PRC:

1. Beijing Xidan Joy City, a mixed-use complex located in the prime location of Xicheng District of Beijing. The project is approximately 200 meters away from Chang'an Street in the south and adjacent to Financial Street and commercial district in the north. Advantageously located, the project adjoins Xidan Station of Lines 1 and 4 of Beijing Subway and a number of bus stops. The project comprises a shopping mall, a hotel and office space, and includes restaurants, car parking spaces and other entertainment and recreational facilities;

2. Beijing Chaoyang Joy City, a mixed-use complex located in the prime location of Chaoyang District of Beijing comprising commercial apartments and retail space. The project is approximately 5 kilometers away from Beijing CBD Commercial District and is surrounded by a number of high-end luxury apartments with a population of 2.5 million. The project is of convenient traffic and is adjacent to Qingnian Road Station of Line 6 of Beijing Subway and a number of bus stops;
3. Shanghai Joy City is located at core district of Shanghai, Suhewan District, and is adjacent to the well-known commercial district on Nanjing Road East. Shanghai Joy City is of convenient traffic and is linked with stations of Lines 8 and 12 (Qufu station) of Shanghai Subway and a number of bus stops. Shanghai Joy City comprises shopping mall, office, residential areas, serviced apartments and parking spaces. The shopping mall comprises south and north towers, and is a complex covering shopping, catering, entertainment, culture, education and lifestyle facilities;
4. Tianjin Joy City is located in Old Town, Nankai District, the central district of Tianjin, and has convenient traffic. Tianjin Joy City is located above Gulou Station of Line 2 of Tianjin Subway and is adjacent to stations of Line 1 of the Tianjin Subway and a number of bus stops. The project comprises shopping mall, office premises, quality residential apartments and serviced apartment;
5. Beijing COFCO Plaza, a mixed-use complex comprising two office buildings and a shopping mall located in the heart of Beijing facing Chang An Avenue and near the entrances of Jianguomen subway station of No. 1 subway line and Beijing Station of Line 2 of Beijing Subway; and
6. COFCO • Landmark Tower (formerly known as Andingmen Project), a commercial project comprising office building with retail space 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 Station of Line 2 of Beijing Subway. COFCO • Landmark Tower is at its preliminary stage of construction and is expected to complete construction at the end of June 2018.

The summary of the financial information prepared in accordance with Hong Kong Financial Reporting Standards of each of the Target Company and its respective subsidiaries for the financial years ended 31 December 2014 and 2015 is as follows:

Fortune Set and its subsidiaries

	For the year ended 31 December 2015 RMB'000	For the year ended 31 December 2014 RMB'000
Net profits before taxation	1,055,747	1,187,323
Net profits after taxation	782,445	833,322
Net assets	18,846,946	18,130,637
Equity attributable to owner of Fortune Set	13,339,879	13,325,252

Sunny Ease and its subsidiaries

	For the year ended 31 December 2015 RMB'000	For the year ended 31 December 2014 RMB'000
Net profits before taxation	187,796	212,444
Net profits after taxation	108,514	150,928
Net assets	3,564,299	3,552,718
Equity attributable to owner of Sunny Ease	1,947,290	1,964,918

Vivid Star and its subsidiaries

	For the year ended 31 December 2015 RMB'000	For the period from 4 November 2014 (date of incorporation) to 31 December 2014 RMB'000
Net profits before taxation	22,274	—
Net profits after taxation	22,274	—
Net assets	297,545	—
Equity attributable to owner of Vivid Star	297,545	—

REASONS FOR THE PROPOSED DISPOSAL

The Company will retain 51% shares in the Target Companies and will continue to manage the operation and development of the Properties following completion of the Proposed Disposal.

The Proposed Disposal, if it proceeds, will be a major step in the direction of the Company's development strategy to combine real estate asset management, brand development and efficient capital management while improving its financial position.

- (i) **Extend Asset Management Platform:** Following the Group's first shopping mall with entrusted management and brands, Tianjin He Ping Joy City, the Proposed Disposal represents a major step in extending the Company's business model from a developer and operator to an asset manager for world-class and sophisticated institutional investors such as GIC (Realty) Private Limited and China Life Insurance Company Limited. The Group, through its role as the manager of the Fund and the property manager of the Properties, will continue to run and operate the day-to-day business of the Properties, which will further enhance the asset and property management capabilities for third parties and experience of the Group. The Group will charge a property management fee and asset management fee during the life of the Fund. In addition, at the end of the term of the Fund, the Group will be entitled to a portion of the realized returns to the Limited Partners that are in excess of an agreed upon hurdle rate.
- (ii) **Promote Efficient Capital Management:** The Proposed Disposal allows the Company to recycle capital of approximately RMB9.3 billion (before any adjustment) for further deployment into other projects generating higher returns and also reducing leverage.
- (iii) **Further Brand Development:** The Proposed Disposal and future operations of the Fund would further raise the profile of the "Joy City (大悅城)" brand and increase its awareness and influence in the market.

Following the Proposed Disposal, the Remaining Group will continue to hold a 51% interest in the Properties of the Target Companies as well as various projects in Beijing, Shanghai, Shenyang, Sanya, Yantai, Chengdu, Hangzhou and Hong Kong.

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed Disposal (including the New Shareholder Put Option, the Company Call Option and the New Shareholder Call/Drag Option) are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS AND USE OF PROCEEDS

Based on the existing information available to the Company, the Directors estimated that (i) the excess of the Consideration (before any adjustment) over the 49% of the equity of the Target Companies attributable to owners of the Company as at 29 February 2016 was approximately RMB1,657,671,000, assuming the transactions contemplated under the Share Purchase Agreement are completed at 29 February 2016; and (ii) the expected excess of the Consideration (before any adjustment) over the 49% of the equity of the Target Companies attributable to owners of the Company as at 29 February 2016, after deducting relevant incremental transaction costs and relevant income tax expense on the Proposed Disposal, to be recorded in capital reserve in the consolidated statement of changes in equity in the Company's consolidated financial statements arising from the Proposed Disposal is approximately RMB1,191,739,000.

As the Company will continue to own 51% of the total issued shares of each of the Target Companies after Closing, each of the Target Companies will become a non wholly-owned subsidiary of the Company and the financial results of Target Companies will continue to be consolidated in the consolidated financial statements of the Company after Closing. In accordance with the Hong Kong Financial Reporting Standards, the Proposed Disposal which constitutes changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, is accounted for within equity. Therefore, there will be no gain or loss arising from the Proposed Disposal to be recognised in the consolidated statement of profit or loss and other comprehensive income in the consolidated financial statements of the Company given that the Target Companies will remain as subsidiaries of the Company upon Closing.

The Company intends to use the proceeds from the Proposed 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 Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Proposed Disposal exceed 25% but are less than 75%, the Proposed Disposal constitutes a major transaction of the Company, and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the New Shareholder Put Option is not at the Company's discretion, pursuant to Rule 14.74 of the Listing Rules, the grant of such option will be classified as if it had been exercised. As the exercise price of the New Shareholder Put Option will be based on the Fair Market Value of the relevant shares in the Target Companies or interest in the Fund (as the case maybe) and has not been determined, the grant of the New Shareholder Put Option constitutes a possible very substantial acquisition for the Company.

“Change of Control”	COFCO Corporation (中糧集團有限公司) (whether acting individually or together with any of its affiliates) ceases to be the single largest shareholder of the Company or no longer has the ability (whether as a shareholder or otherwise) to appoint or influence the appointment of more than half of the Directors (other than independent non-executive Directors)
“Circular”	the circular to be sent to the Shareholders in relation to the SGM containing, among other things, further details of the Proposed Disposal
“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)
“Company Call Option”	an option exercisable at the Company’s (or the General Partner’s, as the case may be) discretion to purchase all of the shares in the Target Companies held by the Fund pursuant to the terms of the Shareholders Agreement (or the interest in the Fund held by any Limited Partner pursuant to the Limited Partnership Agreement, as the case may be), as described in the paragraph headed “ <i>Shareholders Agreements and Limited Partnership Agreement — Company Call Option and New Shareholder Call/Drag Option</i> ” of this announcement
“Closing”	the closing of the Proposed Disposal in accordance with the terms and conditions of the Share Purchase Agreement, which shall take place on the Closing Date
“Closing Date”	30 September 2016 or any other date agreed in writing by the Company and the Fund
“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the cash consideration of RMB9,289,000,000 (subject to adjustment) for the Proposed Disposal under the Share Purchase Agreement
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Directors”	the directors of the Company

“Exit”	any of (i) an initial public offering on an internationally recognised stock exchange of a real estate investment trust or other holding vehicle owning all or substantially all of the assets of the Target Group, (ii) sale of all or substantially all of the assets of the Target Group or (iii) sale or otherwise dispose of all the shares in the Target Companies
“Exit Event”	any of (i) an Exit has not been effected on or before the 7th anniversary of the Closing Date, (ii) any of the Target Companies has not declared any Pro Forma Dividends within the timeframe required under the Shareholders Agreement, (iii) the Company is required to transfer any of the shares in the Target Companies held by it pursuant to any applicable law, or (iv) a Change of Control
“Fair Market Value”	the fair market value of the shares in the Target Companies or interest in the Fund held by the Fund, the Company or any Limited Partner (as the case may be) upon the exercise of the New Shareholder Put Option, the Company Call Option or the New Shareholder Call/Drag Option (as the case may be), as described in the paragraph headed “ <i>Shareholders Agreements and Limited Partnership Agreement — Fair Market Value</i> ” of this announcement
“Fortune Set”	Fortune Set Limited, a company limited by shares incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company
“Fund”	Joy City Commercial Property Fund L.P., an exempted limited partnership established in the Cayman Islands
“General Partner”	Gracious Ever Limited, a company limited by shares incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company, being the general partner of the Fund
“Glorious Fortune”	Glorious Fortune Forever Limited, a private limited company formed under the laws of Hong Kong and a wholly-owned subsidiary of China Life Insurance Company Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Limited Partnership Agreement”	an amended and restated limited partnership agreement dated 29 July 2016 entered into between the General Partner, as the general partner, and the Limited Partners, as the limited partners, in connection with the Fund, as disclosed in the announcement of the Company dated 29 July 2016, and as further amended and restated on 18 August 2016
“Limited Partners”	Reco and Glorious Fortune, being the limited partners of the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Shareholder Call/Drag Option”	an option exercisable at the Fund’s (or any Limited Partner’s) discretion to either (i) purchase all of the shares in the Target Companies held by the Company or (ii) require the Company to sell all of its shares in the Target Companies to such purchaser as the Fund (or the relevant Limited Partner) may identify, as described in the paragraph headed “ <i>Shareholders Agreements and Limited Partnership Agreement — Company Call Option and New Shareholder Call/Drag Option</i> ” of this announcement
“New Shareholder Put Option”	an option exercisable at the Fund’s (or any Limited Partner’s) discretion to require the Company (or the General Partner, as the case may be) to purchase all of the shares in the Target Companies held by the Fund (or the interest in the Fund held by the relevant Limited Partner, as the case may be), as described in the paragraph headed “ <i>Shareholders Agreements and Limited Partnership Agreement — New Shareholder Put Option</i> ” of this announcement
“Open Tender Process”	the open tender process conducted via China Beijing Equity Exchange in relation to the Proposed Disposal
“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
“Pro Forma Dividend”	such dividends to be declared and paid by the Target Companies semi-annually pursuant to the terms of the Shareholders Agreements, as described in the paragraph headed “ <i>Shareholders Agreements and Limited Partnership Agreement — Pro Forma Dividend</i> ” of this announcement

“Properties”	the six mixed-use complex property projects in the PRC held by the Target Group, as described in the paragraph headed “ <i>Information on the Target Group</i> ” of this announcement
“Proposed Disposal”	the proposed disposal of the Target Shares contemplated under the Share Purchase Agreement, the Shareholders Agreements and the Limited Partnership Agreement
“Reco”	Reco Joycore Pte Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of GIC (Realty) Private Limited
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Share Purchase Agreement, the Shareholders Agreement, the Limited Partnership Agreement and the transactions contemplated thereunder
“Shareholders Agreements”	the shareholders agreements in substantially the same form in respect of each of the Target Companies, to be entered into among the Company, the Fund and the relevant Target Company upon Closing
“Share Purchase Agreement”	a share purchase agreement dated 18 August 2016 entered into between the Company and the Fund in relation to the Proposed Disposal
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunny Ease”	Sunny Ease Limited, a company limited by shares incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company
“Target Companies”	Fortune Set, Sunny Ease and Vivid Star
“Target Group”	the Target Companies and their subsidiaries taken as a whole
“Target Shares”	49% of the total issued shares of each of the Target Companies as at the date of the Share Purchase Agreement
“Transaction Documents”	the Share Purchase Agreement, the Shareholders Agreements, the Limited Partnership Agreement (and any subscription documents and side letters relating thereto)

“Vivid Star” Vivid Star Limited, a company limited by shares incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of the Company

“%” per cent

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

The PRC, 18 August 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.