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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)**

# **CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS AGREEMENTS**

## **CONTINUING CONNECTED TRANSACTIONS**

As the CCT Agreements and the Fortune Plaza Lease Agreement for the non-exempt continuing connected transactions of the Group will expire on 31 December 2016, the Board announced that on 21 December 2016, the Company renewed the CCT Agreements each for a term of three years from 1 January 2017 to 31 December 2019, and renewed the Fortune Plaza Lease Agreement for a term of one year from 1 January 2017 to 31 December 2017.

## **THE CONNECTED PERSONS**

COFCO Corporation, through its wholly-owned subsidiaries COFCO (HK) and Achieve Bloom, was indirectly interested in approximately 66.83% of the issued share capital of the Company as at the date of this announcement. COFCO Corporation, together with other members of the COFCO Group and their respective associates, are the Company's connected persons under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to renew the agreement for the relevant continuing connected transactions, the Company is required to re-comply with the announcement and shareholders' approval requirements of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios calculated based on (i) the annual caps for each of the CCT Agreements; and (ii) the annual rent and management fees payable under or ancillary to the Fortune Plaza Lease Agreement, exceeds 0.1% but are less than 5%, the renewal of the CCT Agreements and the Fortune Plaza Lease Agreement are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement.

The Company refers to the circular dated 5 November 2014 (the “**Circular**”) in relation to, among other things, the continuing connected transactions. Unless otherwise indicated, capitalised terms defined in the Circular shall have the same meanings when used herein.

As the CCT Agreements and the Fortune Plaza Lease Agreement for the non-exempt continuing connected transactions of the Group will expire on 31 December 2016, the Board announces that on 21 December 2016, the Company renewed the CCT Agreements each for a term of three years from 1 January 2017 to 31 December 2019, and renewed the Fortune Plaza Lease Agreement for a term of one year from 1 January 2017 to 31 December 2017.

## **CONTINUING CONNECTED TRANSACTIONS**

### **(a) Master Lease Agreement**

The Company entered into the Master Lease Agreement with COFCO Corporation to govern the terms of the lease of property by the Group to the COFCO Group.

#### *Major terms and pricing of the Master Lease Agreement*

As at the date of this announcement, certain members of the Group entered into various lease agreements for the leasing of commercial premises to COFCO Group. The lease agreements were entered into mainly by (i) Beijing COFCO Plaza Co., Ltd\* for the leasing of commercial premises in Beijing COFCO Plaza; (ii) Bapton Company Limited for the leasing of commercial premises in COFCO Tower (previously known as Top Glory Tower); (iii) Yantai Joy City Limited\* for the leasing of commercial premises in Yantai Joy City; and (iv) Shanghai Xinlan Real Estate Development Co., Ltd\* for the leasing of commercial premises in Shanghai Joy City. These leased properties are generally occupied by relevant members of the COFCO Group as their headquarters, offices, sales offices or for other commercial uses.

The lease agreements entered into by the Group and the COFCO Group will be subject to the terms and conditions of the Master Lease Agreement, which has, by a further supplemental agreement thereto, extended its term to 31 December 2019. Pursuant to the Master Lease Agreement, the rent and management fees payable by the COFCO Group are subject to the general pricing terms therein which provides that the rent and service fees are to be agreed and determined on an arm’s length basis and shall be comparable to, or no less favourable to the Group than, the fair market rents or market prices for similar products and services offered by the Group to independent third parties, and are to be agreed between the relevant members of the Group and the COFCO Group having regard to the quality and nature of the relevant property, its location, neighbourhood area and ancillary infrastructure facilities, and based on the rents payable under leases in the same building as those with tenants which are independent third parties and the prevailing market rents for similar premises in the vicinity of the relevant property.

The Master Lease Agreement also provides that before the entering into a lease agreement, the relevant member of the Group shall:

- (a) when the price is the sole determining factor: (i) obtain quotations from not less than two independent third parties in relation to leasing of similar premises; or (ii) obtain from COFCO Group not less than two lease records of similar properties leased to it by other lessors, and in such case the rent payable by COFCO Group and other relevant conditions under such lease agreement shall not be less favourable from the Group’s perspective than those quotations or lease records (as the case may be); or

- (b) when the price is one of the determining factors, conduct negotiations and, if necessary, obtain relevant quotation and/or pricing record to determine the overall terms of the transaction on an arm's length basis.

*Reasons and benefits for the Master Lease Agreement*

The Company considers that the leasing of the commercial premises by the Group to the COFCO Group is conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group and the COFCO Group. The Group will obtain stable income from COFCO Group pursuant to the leasing arrangements. It is expected that the Group will continue to lease the commercial premises to the COFCO Group pursuant to the existing lease arrangements and may renew the same after they expire, or enter into new lease agreements with other members of the COFCO Group.

*Annual caps*

The aggregate rent and management fees related to the leased premises paid by the COFCO Group to the Group for the two years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016, and the annual caps for the transactions under the Master Lease Agreement are set as follows:

<b>Historical transaction amounts between the Group and the COFCO Group (financial year / period ended):</b>	<i>RMB'000</i>
31 December 2014	99,946
31 December 2015	139,669
30 November 2016	149,405

	<b>Historical annual caps (financial year ended/ending)</b>	<b>Annual caps (financial year ending)</b>
	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2014	111,000	-
31 December 2015	162,200	-
31 December 2016	184,000	-
31 December 2017	-	203,000
31 December 2018	-	223,000
31 December 2019	-	245,000

The annual caps for the financial years ending 31 December 2017, 2018 and 2019 have been determined based on (a) the historical annual caps for the financial years ended 31 December 2014, 2015 and the financial year ending 31 December 2016; (b) the historical transaction amounts of the lease agreements between the Group and the COFCO Group during the financial years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016; (c) the projected increase in the prevailing market rent of the relevant properties in the coming years; (d) the expected new leasing agreement entered into with other members of the Group; and (e) an annual growth in the annual cap of approximately 9.85% for the year 2018 (compared to 2017) and approximately 9.87% for the year 2019 (compared to 2018) having taken into account the above factors.

**(b) Master Property Management Agreement**

The Company entered into the Master Property Management Agreement with COFCO Corporation to govern the terms of the provision of hotel and property management services by the COFCO Group to the Group.

### *Major terms and pricing of the Master Property Management Agreement*

As at the date of this announcement, certain members of the COFCO Group provided hotel and property management services to the property projects developed by the Group, which include but are not limited to the following:

<b>Relevant member of the COFCO Group</b>	<b>Relevant member of the Group</b>	<b>Hotel and property management services provided to the Group</b>
Gloria International Hotel Limited*	Nanchang Gloria Hotel (PRC) *	Provision of hotel management services for Gloria Grand Hotel Nanchang
Gloria International Hotel Limited*	Suzhou Gloria Hotel (PRC) *	Provision of hotel management services for Gloria Plaza Hotel Suzhou
Gloria International Hotel Management (Beijing) Co., Ltd*	Yalong Development (Sanya) *	Provision of hotel management services for Cactus Resort Sanya by Gloria
Top Glory Properties Management (HK) Limited	Bapton Company Limited	Provision of property consultancy and rental management services for COFCO Tower
COFCO Property Group Shenzhen Property Management Co., Ltd Shenyang Branch*	Shenyang Development Co., Ltd*	Provision of property management services for Shenyang Joy City
COFCO Property Group Shenzhen Property Management Co., Ltd Chengdu Branch*	Zhuoyuan Property (Chengdu) Co., Ltd*	Provision of property management services for the Sales Center of Joy Street

The property management agreements entered into by the Group and the COFCO Group will be subject to the terms and conditions of the Master Property Management Agreement, which has, by a further supplemental agreement thereto, extended its terms to 31 December 2019. Pursuant to the Master Property Management Agreement, the service fees for the project consultation, hotel and property management services are subject to the general pricing terms therein which provides that the service fees are to be agreed and determined on an arm's length basis and shall be comparable to, or no less favourable to the Group than the fair market prices for similar services offered by independent third parties to the Group. Detailed terms of the hotel and property management services to be provided by the COFCO Group and the pricing terms shall be set out in the specific management service contracts to be entered into between the relevant members of the Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Property Management Agreement.

Pursuant to the Master Property Management Agreement, the consideration to be paid by the respective members of the Group shall be agreed between the relevant members of the Group and the COFCO Group having regard to various factors such as the nature and scope of the services to be provided, the costs of providing such services and the market rate for similar services offered

by other independent third party suppliers, or based on a prescribed fee schedule or charging rate as agreed between the relevant parties from time to time.

The Master Property Management Agreement also provides that before entering into a hotel or property management agreement, the relevant member of the Group shall:

- (a) when the price is the sole determining factor: (i) obtain quotations from not less than two independent third party service providers of similar hotel or property management services; or (ii) obtain from COFCO Group not less than two records of similar hotel or property management services provided by it to other clients, and in such case the service fees payable by the Group and other relevant conditions under such hotel or property management agreement shall not be less favourable from the Group's perspective than those quotations or records (as the case may be); or
- (b) when the price is one of the determining factors, conduct negotiations and, if necessary, obtain relevant quotation and/or pricing record to determine the overall terms of the transaction on an arm's length basis.

*Reasons and benefits for the Master Property Management Agreement*

The Company considers that the provision of the property management services by the COFCO Group to the Group is conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group and the COFCO Group. The Group will obtain stable and better quality assurance of hotel and property management services for its property projects from the COFCO Group. It is expected that the COFCO Group will continue to provide hotel and property management services to Group pursuant to the existing hotel and property management agreements and may renew the same after they expire, or enter into new property management agreements with other members of the Group.

*Annual caps*

The aggregate service fees for the hotel and property management services paid by the Group to the COFCO Group for the two years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016 and the annual caps for the transactions under the Master Property Management Agreement are set as follows:

<b>Historical transaction amounts between the Group and the COFCO Group (financial year/period ended)</b>	<i>RMB'000</i>
31 December 2014	7,425
31 December 2015	8,242
30 November 2016	6,379

	<b>Historical annual caps (financial year ended/ending)</b>	<b>Annual caps (financial year ending)</b>
	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2014	11,000	-
31 December 2015	11,000	-
31 December 2016	11,000	-
31 December 2017	-	21,000
31 December 2018	-	26,000
31 December 2019	-	28,000

The annual caps for the financial years ending 31 December 2017, 2018 and 2019 have been determined based on (a) the historical annual caps for the financial years ended 31 December 2014, 2015 and the financial year ending 31 December 2016; (b) the projected revenue trend of the hotel operation businesses of the Group being one of the factors for the assessment of the management fees payable to the COFCO Group; (c) the historical transaction amounts for the provision of project consultation, hotel and property management services by the COFCO Group to Group during the financial years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016; (d) the nature of services required under specific contracts signed or agreed between the relevant members of the Group and the COFCO Group; (e) the projected increase in demand for the relevant services in anticipation of the project developments of the Group, including but not limited to the new property management agreements entered into by (i) Sanya Yuesheng Development Company Limited\* (三亞悅晟開發建設有限公司); (ii) Sanya Hongxia Development & Construction Co., Ltd.\* (三亞虹霞開發建設有限公司); (iii) Joy City (Tianjin) Co., Ltd.\* (大悅城(天津)有限公司); and (iv) Zhejiang Herun Tiancheng Real Estate Co., Ltd.\* (浙江和潤天成置業有限公司), with the relevant member(s) of the COFCO Group, respectively, for the provision of property management services to the corresponding property projects by the relevant member(s) of the COFCO Group; (f) the projected increase in the average market prices for the similar services due to increased management and labour costs and other factors; (g) the expected provision of hotel and property management services by the COFCO Group to the existing project developments of the Group; and (h) an annual growth in the annual cap of approximately 23.81% for the year 2018 (compared to 2017) and approximately 7.69% for the year 2019 (compared to 2018) having taken into account the above factors.

**(c) Master Sourcing Agreement**

The Company entered into the Master Sourcing Agreement with COFCO Corporation to govern the terms of provision of staple supplies, catering services and other ancillary services by the COFCO Group to the Group.

*Major terms and pricing of the Master Sourcing Agreement*

The staple supplies, catering services and ancillary services supply arrangements between the Group and the COFCO Group will be subject to the terms and conditions of the Master Sourcing Agreement, which has, by a further supplemental agreement thereto, extended its term to 31 December 2019. Pursuant to the Master Sourcing Agreement, the prices for the staple supplies, catering services and ancillary services are subject to the general pricing terms therein which provides that the purchase price of or service fees are to be agreed and determined on an arm's length basis and shall be comparable to, or no less favourable to the Group than the fair market prices for similar products offered by independent third parties to the Group. Detailed terms of the provision of staple supplies, catering services and ancillary services and the pricing terms shall be set out in the specific service contracts or confirmation orders to be entered into between the relevant members of the Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Sourcing Agreement.

Pursuant to the Master Sourcing Agreement, the prices for the staple supplies, catering services and ancillary services shall be agreed between the relevant members of the Group and the COFCO Group having regard to various factors such as the quantity and quality of the staple supplies, catering services and ancillary services, the market prices for the staple supplies, catering services and ancillary services, the price offered by other independent third party suppliers and the procurement or manufacturing costs of the relevant members of the COFCO Group, or based on a prescribed fee schedule or purchase price as agreed between the relevant parties from time to time.

The Master Sourcing Agreement also provides that before entering into a service contract or placing a confirmation order, the relevant member of the Group shall:

- (a) when the price is the sole determining factor: (i) obtain quotations from not less than two independent third party providers of similar staple supplies, catering services or ancillary services; or (ii) obtain from COFCO Group not less than two records of similar staple supplies, catering services or ancillary services provided by it to other customers, and in such case the price payable by the Group and other relevant conditions under such service contract or confirmation order shall not be less favourable from the Group's perspective than those quotations or records (as the case may be); or
- (b) when the price is one of the determining factors, conduct negotiations and, if necessary, obtain relevant quotation and/or pricing record to determine the overall terms of the transaction on an arm's length basis.

*Reasons and benefits for the Master Sourcing Agreement*

The Company considers that the provision of staple supplies, catering services and ancillary services by the COFCO Group to the Group is conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group and the COFCO Group. The Group is able to maintain stable staple supplies, catering services and ancillary services provided by the COFCO Group. It is expected that the COFCO Group will continue to provide staple supplies and catering services to the Group pursuant to the existing supply arrangements and may renew the same after they expire, or enter into new supply arrangements with other members of the Group.

*Annual caps*

The purchase amounts for staple supplies, catering services and ancillary services paid by the Group to the COFCO Group for the two years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016 and the annual caps for the transactions under the Master Sourcing Agreement are set out as follows:

<b>Historical transaction amounts between the Group and the COFCO Group (financial year/period ended)</b>		<i>RMB'000</i>
31 December 2014		3,250
31 December 2015		4,457
30 November 2016		4,344
	<b>Historical annual caps (financial year ended/ending) <i>RMB'000</i></b>	<b>Annual caps (financial year ending) <i>RMB'000</i></b>
31 December 2014	9,200	-
31 December 2015	10,800	-
31 December 2016	12,550	-
31 December 2017	-	18,800
31 December 2018	-	21,700
31 December 2019	-	24,900

The annual caps for the financial years ending 31 December 2017, 2018 and 2019 have been determined based on (a) the historical annual caps for the financial years ended 31 December 2014, 2015 and the financial year ending 31 December 2016; (b) the quantity and historical transaction

amounts for the staple supplies, catering services and ancillary services provided by the COFCO Group to the Group for the financial years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016; (c) the market prices for the relevant staple supplies, catering services and ancillary services and the prices offered by independent third party suppliers; (d) the projected demand by the Group for staple supplies, catering services and ancillary services due to marketing and promotional activities for new development projects by the Group; (e) the projected increase in the average market prices for the relevant staple supplies, catering services and ancillary services; and (f) an annual growth in the annual cap of approximately 15.43% for the year 2018 (compared to 2017) and approximately 14.75% for the year 2019 (compared to 2018) having taken into account the above factors.

**(d) Fortune Plaza Lease Agreement**

*Major terms and pricing of the Fortune Plaza Lease Agreement*

As at the date of this announcement, COFCO Corporation has been leasing a commercial premises in COFCO Fortune Plaza in Beijing to COFCO Investment, a member of the Group. Details of the existing Fortune Plaza Lease Agreement are set out below:

<b>Property leased by COFCO Corporation to COFCO Investment</b>	<b>Effective period of the lease agreement</b>	<b>Annual rent payable under the lease agreement (RMB'000)</b>
12th Floor of COFCO Fortune Plaza (福臨門大廈)	1 December 2016 to 31 December 2016	12,089

*Reasons and benefits for the Fortune Plaza Lease Agreement*

The above commercial premise is currently occupied by COFCO Investment for self-use as office. The Company considers that the leasing of the premise by COFCO Corporation to COFCO Investment is in COFCO Investment's ordinary and usual course of business based on its commercial needs. The Group will be able to maintain a stable and friendly lease arrangement for office of its subsidiary. It is expected that another wholly-owned subsidiary of the Group, Joy City Commercial Management (Beijing) Limited, will continue to rent the premise from COFCO Corporation pursuant to the Fortune Plaza Lease Agreement and may renew the same after it expires.

*Annual caps*

The aggregate rent and management fees related to the premise paid by COFCO Investment to COFCO Group for the financial years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016, and the annual caps for the rent and management fees to be payable by Joy City Commercial Management (Beijing) Limited under or ancillary to the Fortune Plaza Lease Agreement and the subsequent lease agreements renewed therefrom are set out below:

<b>Historical transaction amounts between the Group and the COFCO Group (financial year/period ended)</b>	<b>RMB'000</b>
31 December 2014	10,745
31 December 2015	10,828
30 November 2016	10,005



	<b>Historical annual caps (financial year ended/ending)</b>	<b>Annual caps (financial year ending)</b>
	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2014	11,150	-
31 December 2015	12,580	-
31 December 2016	13,840	-
31 December 2017	-	14,400
31 December 2018	-	15,280
31 December 2019	-	16,940

The above annual caps have been determined based on (a) the rent and management fees payable by COFCO Investment for the financial years ended 31 December 2014 and 2015 and the 11 months ended 30 November 2016 under or ancillary to the Fortune Plaza Lease Agreement; (b) the projected increase in the prevailing market rent of the relevant property for the financial years ending 2017, 2018 and 2019; and (c) an annual growth in the annual cap of approximately 6.11% for the year 2018 (compared to 2017) and approximately 10.86% for the year 2019 (compared to 2018) having taken into account the above factors.

## **THE CONNECTED PERSONS**

COFCO Corporation, through its wholly-owned subsidiaries COFCO (HK) and Achieve Bloom, was indirectly interested in approximately 66.83% of the issued share capital of the Company as at the date of this announcement. COFCO Corporation, together with other members of the COFCO Group and their respective associates, are the Company's connected persons under Chapter 14A of the Listing Rules.

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.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an investment holding company incorporated in Bermuda. 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.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to renew the agreement for the relevant continuing connected transactions, the Company is required to re-comply with the announcement and shareholders' approval requirements of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios calculated based on (i) the annual caps for each of the CCT Agreements; and (ii) the annual rent and management fees payable under or ancillary to the Fortune Plaza Lease Agreement, exceeds 0.1% but are less than 5%, the renewal of the CCT Agreements and the Fortune Plaza Lease Agreement are subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement.

## **INTERNAL CONTROL MEASURES**

The Company has established internal control measures to ensure that the continuing connected transactions contemplated under the CCT Agreements and the Fortune Plaza Lease Agreement are in accordance with the pricing policies and the terms of the relevant agreement, and that the terms and conditions of the CCT Agreements and the Fortune Plaza Lease Agreement are on normal commercial terms and terms no less favourable than those terms offered to the Group by independent third parties for similar products, leases and/or services. Such internal control measures employed by the Group include the following:

- (a) finance department of the Company shall obtain and monitor all the quotations and/or pricing records as reference price of the transaction contemplated under the CCT Agreements and the Fortune Plaza Lease Agreement, and to ensure the terms are in compliance with the relevant agreements under which the transactions are entered into, and in this connection he/she must be satisfied that (i) the pricing policies and internal procedures adopted by the Company have been fully complied with; (ii) the transactions thereunder are on normal commercial terms; (iii) the purchase price or rent of the relevant products, leases and services are no less favourable to the Group than the prices at which such products, leases and services are offered by independent third parties to the Group, before relevant orders are entered into; and
- (b) the independent non-executive Directors shall, and the Company shall engage its external auditors to, conduct annual review of the continuing connected transactions in accordance with the Listing Rules requirements.

## **THE DIRECTORS' VIEWS**

None of the Directors has a material interest in the continuing connected transactions contemplated under the CCT Agreements and the Fortune Plaza Lease Agreement. The Directors (including the independent non-executive Directors) are of the view that (i) the CCT Agreements and the Fortune Plaza Lease Agreement have been entered into in the ordinary and usual course of business of the Group; (ii) all of the above agreements and the transactions contemplated therein have been negotiated on an arm's length basis, on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the annual caps for each of the CCT Agreements and the Fortune Plaza Lease Agreement set out therefrom are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In view of the nature of the transaction and the quotations and/or pricing records to be obtained and monitored by the finance department of the Group as reference price of the transaction contemplated under the CCT Agreements, the Directors consider that such procedures are sufficient for the purpose of ensuring that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders. Further details of the CCT Agreement are set out in the section headed "Continuing Connected Transactions - Common terms of the Master Agreements" in the 2013 Circular.

Having considered that (i) the internal procedures in place for a member of the Group to obtain quotations and/or pricing records and/or conduct negotiations to assess and determine the purchase price and/or services fees before it enters into connected transactions; (ii) the reporting, approval and record-keeping procedures in place to ensure the strict compliance with the pricing policy of the connected transactions; and (iii) the internal control procedures to monitor the annual caps, pricing and terms of the connected transactions, the Directors are of the view that the internal control procedures of the Group on continuing connected transactions are sufficient and adequate to ensure the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“CCT Agreements”	the Master Lease Agreement, the Master Property Management Agreement and the Master Sourcing Agreement
“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), and a controlling shareholder holding 66.83% of interests in the Company
“COFCO Group”	COFCO Corporation and its subsidiaries
“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 of Hong Kong Limited (stock code: 207)
“Directors”	the directors of the Company
“Fortune Plaza Lease Agreement”	the lease agreement between COFCO Corporation and COFCO Investment dated 1 January 2016 in relation to the property leased by COFCO Corporation to COFCO Investment, and renewed by a subsequent lease agreement between COFCO Corporation and Joy City Commercial Management (Beijing) Limited (大悅城商業管理(北京)有限公司), another wholly-owned subsidiary of the Group, dated 21 December 2016
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party”	a person or party who is not a connected person (within the meaning of the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Lease Agreement”	the master lease agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by the supplemental agreements dated 3 November 2014 and 21 December 2016, respectively) for the leasing of properties by the Group to the COFCO Group
“Master Property Management Agreement”	the master property management agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by the supplemental agreements dated 3 November 2014

and 21 December 2016, respectively) for the provision of project consultation, property management and hotel management services

“Master Sourcing Agreement”	the master sourcing agreement entered into between the Company and COFCO Corporation on 29 November 2013 (extended and supplemented by the supplemental agreements dated 3 November 2014 and 21 December 2016, respectively) for the sourcing of staple supplies, catering services and ancillary services by the Group from the COFCO Group
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“%”	per cent

*For the purpose of this announcement and for illustration only, the exchange rate of RMB1.00 =HK\$1.1233 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.*

*In this announcement, unless the context requires otherwise, the terms “connected person(s)”, “controlling shareholder(s)”, “percentage ratio” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules.*

*\* 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, 21 December 2016

*As at the date of this announcement, the Board comprises Mr. ZHOU Zheng and Mr. CAO Ronggen as the 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.*