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## JOY CITY PROPERTY LIMITED

大悅城地產有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock code: 207)**

### PROFIT WARNING

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and other information currently available, the Group’s consolidated profit for the six months ended 30 June 2020 is expected to decrease by 70% to 85% as compared to the Group’s consolidated profit for the six months ended 30 June 2019. Such expected decline in consolidated profit was mainly attributable to the following:

- (i) the overall fair value of the Group’s investment properties is expected to remain steady with no material increase in fair value for the first half of 2020 resulting from the adverse impacts on commercial properties market conditions due to the COVID-19 pandemic;
- (ii) despite that the financial performance of the shopping malls and hotels has started to recover from May 2020, the retail and hospitality markets were adversely affected by the COVID-19 pandemic and the significant reduction in the number of tourists has led to a decrease in the customer flow in shopping malls, demand for hotel rooms and hotel occupancy rates. Further, the Group implemented rental reduction policy for tenants to provide them support for proactively fulfilling the Group’s social responsibility;
- (iii) the reduction in the settled gross floor area and settled unit price resulting from changes in the product structure settled by the Group as compared with the corresponding period in the previous year; and
- (iv) an estimated increase in foreign exchange loss of approximately RMB65 million for the first half of 2020 as compared with the corresponding period in the previous year due to the impact of volatility of the exchange rate of Renminbi on the Group’s debts denominated in foreign currency.

The Group will continue to implement measures for COVID-19 pandemic prevention and control, whilst pursuing to recoup the Group’s financial performance through various means.

The Company is still in the process of preparing the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only a preliminary assessment by the

Board based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and other information currently available, which will be subject to final review by the Company's auditors and/or the Company's audit committee, and may be subject to adjustments. Detailed financial information of the Group for the six months ended 30 June 2020 will be published in due course pursuant to the requirements of the Listing Rules.

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

By order of the Board  
**JOY CITY PROPERTY LIMITED**  
**ZHOU Zheng**  
*Chairman*

The People's Republic of China, 10 July 2020

*As at the date of this announcement, the Board comprises Mr. ZHOU Zheng and Mr. CAO Ronggen as executive Directors; Mr. ZHU Laibin and Mr. JIANG Yong as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent nonexecutive Directors.*