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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)

VOLUNTARY ANNOUNCEMENT

PUBLIC TENDER PROCESS
IN RELATION TO THE POTENTIAL DISPOSAL OF
100% EQUITY INTEREST IN A SUBSIDIARY

This is a voluntary announcement made by Joy City Property Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”).

BACKGROUND

Beijing Kunting Asset Management Company Limited* (北京昆庭資產管理有限公司) (“**Beijing Kunting**”) is a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company. Beijing Kunting mainly holds Beijing COFCO • Landmark Tower, comprising of three office and commercial buildings located at Andingmenwai Street in Dongcheng District, Beijing, the People’s Republic of China (the “**PRC**”) with an aggregate gross floor area of approximately 81,454 square meters and 377 car park spaces.

The board of directors (the “**Board**”) of the Company announces that the Company intends to dispose of 100% equity interest of Beijing Kunting (the “**Potential Disposal**”) and related shareholder loans by way of a public tender process (the “**Public Tender**”) to be conducted through the Beijing Assets and Equity Exchange* (北京產權交易所) (“**Beijing Equity Exchange**”).

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The Potential Disposal is expected to revitalise the Group’s existing assets and to realise its maximum potential value, and to generate additional cash inflow, which would facilitate the improvement of the Group’s financing costs and enhance the Group’s working capital.

PUBLIC TENDER PROCESS FOR THE POTENTIAL DISPOSAL

The Public Tender will be conducted through the Beijing Equity Exchange and the bidding period for the Public Tender (the “**Bidding Period**”) has commenced on the date of this announcement. During the Bidding Period, interested parties may apply to bid in the Public Tender in accordance with the requirements of the Beijing Equity Exchange and applicable PRC laws and regulations. Upon the expiry of the Bidding Period, the qualified bidder who offers the highest effective bid price will be the successful bidder. For further information relating to the Potential Disposal, please refer to the announcement published by the Company’s controlling shareholder, Grandjoy Holdings Group Co., Ltd.* (大悦城控股集團股份有限公司) (stock code: 000031.SZ) on the website designated by the China Securities Regulatory Commission on 31 August 2023 (<http://www.cninfo.com.cn>).

The minimum consideration for the Potential Disposal (the “**Minimum Consideration**”) of RMB4,255,847,000 is based on the equity value of Beijing Kunting as at 30 April 2023 as appraised by an independent valuer in accordance with the requirements of the Beijing Equity Exchange and filed with the relevant regulators of state-owned assets in the PRC. The final consideration for the Potential Disposal will depend on the final bid price offered by the successful bidder, which will be no less than the Minimum Consideration.

Taking into consideration of the Minimum Consideration, the highest applicable percentage ratio (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Potential Disposal is expected to be more than 75%. Therefore, the Potential Disposal, if materialised, may constitute a very substantial disposal of the Company and may be subject to the reporting, announcement, circular and the approval by the Company’s shareholders requirements under Chapter 14 of the Listing Rules.

As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) in compliance with the Listing Rules if and when appropriate.

* *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
CHEN Lang
Chairman

The PRC, 31 August 2023

As at the date of this announcement, the Board comprises Mr. CHEN Lang as Chairman and non-executive Director; Mr. CAO Ronggen as executive Director; Mr. MA Dewei, Mr. LIU Yun and Mr. ZHU Laibin as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent non-executive Directors.