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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)

MAJOR TRANSACTION
DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF THE CONSUMER INFRASTRUCTURE REIT ON THE
SHENZHEN STOCK EXCHANGE

THE PROPOSED SPIN-OFF

The Board is pleased to announce that on 24 May 2024, CAMC and CITIC submitted, among other things, the application materials on the registration and listing of the Consumer Infrastructure REIT to the CSRC and Shenzhen Stock Exchange.

The Proposed Spin-off involves, among other things, the transfer of the entire equity interest in the New Project Company, which holds the Project, by the Project Company, an indirect wholly-owned subsidiary of the Company, to the Consumer Infrastructure REIT and the subscription for 40% of the total Units of the Consumer Infrastructure REIT by the Project Company. The Project comprises of the shopping centre and carpark spaces located on Dayue Road, Wuhou District, Chengdu, the PRC and its entire interest is held by the New Project Company as of the date of this announcement. Upon completion of the Proposed Spin-off, the Consumer Infrastructure REIT will indirectly hold the entire interest in the Project and the Company, through the Project Company, will indirectly hold 40% of the total Units of the Consumer Infrastructure REIT, and the Company's indirect interest in the Project will be reduced to 40%. Therefore, the financial results of the Project will cease to be consolidated in the Group's financial statements upon completion of the Proposed Spin-off.

The Proposed Spin-off on the Shenzhen Stock Exchange constitutes a spin-off under PN15 of the Listing Rules. The Company has submitted the PN15 Application in relation to the Proposed Spin-off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15 OF THE LISTING RULES

As there is a PRC legal impediment, it is not feasible for the Company to provide its existing Shareholders with an assured entitlement to the Units in the Consumer Infrastructure REIT under the Proposed Spin-off pursuant to paragraph 3(f) of Practice 15 of the Listing Rules. Accordingly, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of Practice Note 15 of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Group indirectly holds the entire interest in the Project. Upon completion of the Proposed Spin-off, the Company's indirect interest in the Project will be reduced to 40%. As such, the Proposed Spin-off, if materialised, will constitute a deemed disposal under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Spin-off exceeds 25% but is less than 75%, the Proposed Spin-off constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and PN15 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Proposed Spin-off and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Proposed Spin-off and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off and the transactions contemplated thereunder.

As at the date of this announcement, Grandjoy Holdings Group holds 9,133,667,644 Shares (representing approximately 64.18% of the issued Shares). As the Company has obtained the Written Approval from Grandjoy Holdings Group, no special general meeting will be convened by the Company for the purpose of approving the Proposed Spin-off and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to consider and advise the Shareholders in respect of the terms of the Proposed Spin-off and the transactions contemplated thereunder. Dongxing Securities (Hong Kong) Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in this regard.

A circular containing, among other things, (a) details of the Proposed Spin-off and the transactions contemplated thereunder; (b) the recommendation of the Independent Board Committee to the Shareholders; and (c) a letter from the Independent Financial Adviser to the Independent Board Committee and the Shareholders in relation to the Proposed Spin-off, will be despatched to the Shareholders for information purposes only on or before 17 June 2024 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, the prevailing market conditions and approvals from relevant authorities, including the CSRC and the Shenzhen Stock Exchange. Accordingly, the Proposed Spin-off may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 24 May 2024, CAMC and CITIC submitted, among other things, the application materials on the registration and listing of the Consumer Infrastructure REIT to the CSRC and Shenzhen Stock Exchange.

The Proposed Spin-off involves, among other things, the transfer of the entire equity interest in the New Project Company, which holds the Project, by the Project Company, an indirect wholly-owned subsidiary of the Company, to the Consumer Infrastructure REIT and the subscription for 40% of the total Units of the Consumer Infrastructure REIT by the Project Company. The Project comprises of the shopping centre and carpark spaces located on Dayue Road, Wuhou District, Chengdu, the PRC and its entire interest is held by the New Project Company as of the date of this announcement. Upon completion of the Proposed Spin-off, the Consumer Infrastructure REIT will indirectly hold the entire interest in the Project and the Company, through the Project Company, will indirectly hold 40% of the total Units of the Consumer Infrastructure REIT, and the Company's indirect interest in the Project will be reduced to 40%. Therefore, the financial results of the Project will cease to be consolidated in the Group's financial statements upon completion of the Proposed Spin-off.

The Proposed Spin-off on the Shenzhen Stock Exchange constitutes a spin-off under PN15 of the Listing Rules. The Company has submitted the PN15 Application in relation to the Proposed Spin-off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

THE PROPOSED SPIN-OFF

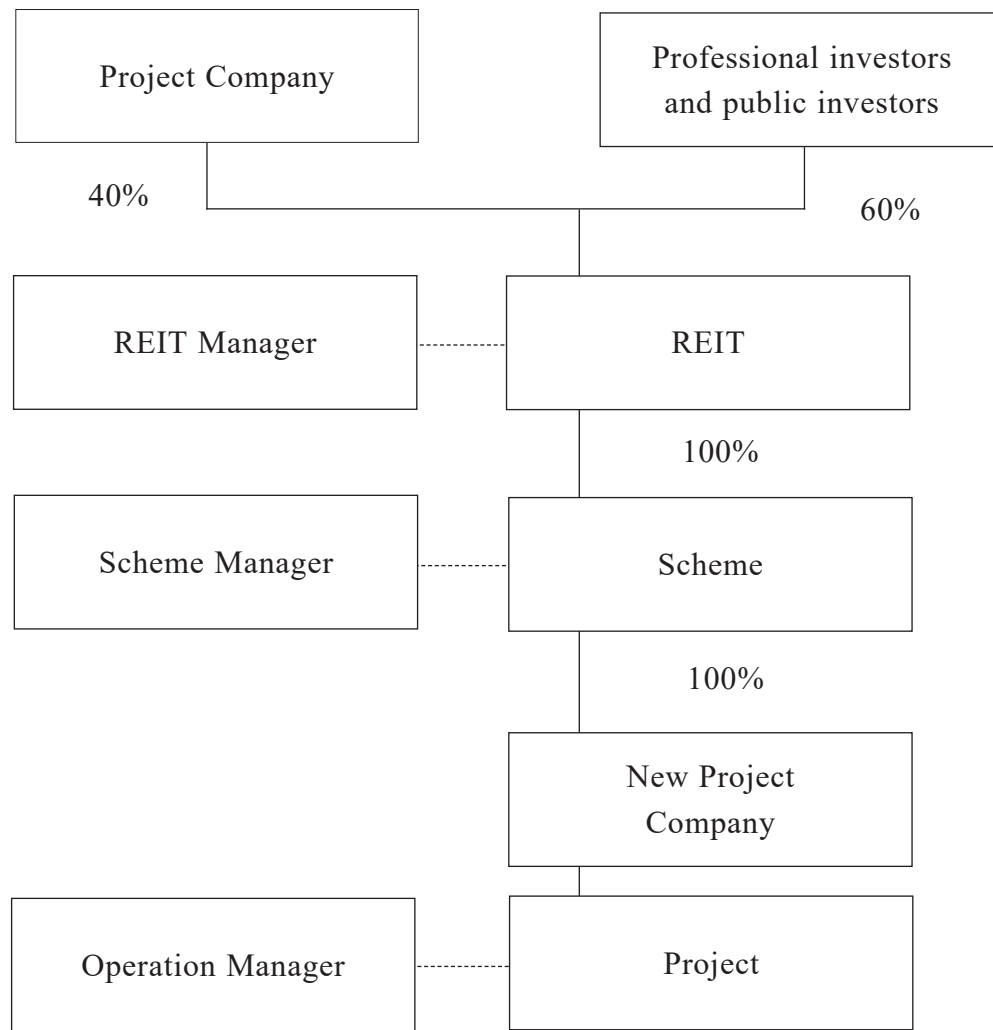
The structure of the Consumer Infrastructure REIT and the Public Offering

The Proposed Spin-off will involve the separate listing of the Consumer Infrastructure REIT on the Shenzhen Stock Exchange, which will indirectly hold the entire interest in the Project.

Under the proposed offering structure, the REIT Manager will set up the Consumer Infrastructure REIT as a publicly-listed consumer type infrastructure securities investment fund for Public Offering on the Shenzhen Stock Exchange at the expected size of approximately RMB3,348,000,000 (based on the preliminary valuation of the Project and the information available as at the date of this announcement). It is currently expected that 40% of the total Units of the Consumer Infrastructure REIT will be subscribed by the Group through the Project Company at an expected aggregate price of approximately RMB1,339,200,000 and 60% of the total Units of the Consumer Infrastructure REIT will be subscribed by external investors at an expected aggregate price of approximately RMB2,008,800,000. The Consumer Infrastructure REIT will be set up in accordance with the Guidance, the Circular and other applicable laws and regulations in the PRC.

For the purpose of the Proposed Spin-off, the Scheme will be set up by the Scheme Manager. As part of the Reorganisation, prior to the date of this announcement, the Project Company has established the New Project Company and the SPV and in addition, the Project Company has contributed to the registered capital of the New Project Company by way of injection of its entire interest in the Project into the New Project Company. Therefore, as of the date of this announcement, the Project Company holds the entire equity interest in each of the New Project Company, which holds the entire interest in the Project, and the SPV. Upon completion of the Public Offering, further steps of the Reorganisation will take place including, among other things: (a) the Consumer Infrastructure REIT will apply the proceeds from the Public Offering, after deducting costs and taxes relating to the Proposed Spin-off, to subscribe for the entire equity interest in the Scheme; (b) the Scheme will acquire the entire equity interest in the SPV (which is held by the Project Company as at the date of this announcement) from the Project Company at a nominal consideration, and will subsequently inject the net proceeds from the Public Offering into the SPV by way of capital injection into the SPV's registered capital and provision of shareholder's loan; (c) the SPV (which will be wholly-owned by the Scheme by then) will use the net proceeds mentioned in (b) above to acquire the entire equity interest in the New Project Company (which is held by the Project Company as at the date of this announcement) from the Project Company; (d) the SPV will then transfer the entire equity interest in the New Project Company to the Scheme at nominal consideration; and (e) the SPV will be merged into the New Project Company. The relevant parties have entered into definitive agreements to give effect to the Reorganisation as described above.

The structure of the Consumer Infrastructure REIT upon completion of the Proposed Spin-off is set out below:



After the Proposed Spin-off, the Operation Manager, an indirect wholly-owned subsidiary of the Company, will be engaged by the REIT Manager to continue to provide operations management, property management and car park management services to the Project. The purpose of such arrangement is to leverage on the Group’s expertise and experience for the daily operation and management of the Project, which will continue to be marketed under the Group’s “Joy City” brand, and to minimise the disruption of the daily operations of the Project after the Proposed Spin-off.

The Proposed Spin-off including the relevant definitive agreements and the terms of the Public Offering, such as the size and price range of the offering and the timetable of the Public Offering, is subject to, among other things, the approval of the CSRC and the Shenzhen Stock Exchange and therefore may be amended.

Conditions precedent to the Proposed Spin-off

The Proposed Spin-off is conditional upon, among other things, the following conditions:

- (a) the respective approvals of the CSRC, the Shenzhen Stock Exchange and the Stock Exchange in relation to the Proposed Spin-off having been obtained;

- (b) the approval of the Shareholders in relation to the Proposed Spin-off having been obtained;
- (c) the total amount of units offered by the Consumer Infrastructure REIT reaches 80% of the approved registration scale;
- (d) the offering size should be at least RMB200 million and there are at least 1,000 investors participating in the offering;
- (e) the original holder of the interest of the Project (being the Project Company) has subscribed in the strategic tranche;
- (f) other than the portion placed with strategic investors, not less than 70% of the remaining Units of the Consumer Infrastructure REIT shall be offered to offline investors; and
- (g) there is no other circumstance leading to the failure of the Public Offering.

The Company has submitted the PN15 Application to the Stock Exchange, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

FINANCIAL EFFECT OF THE PROPOSED SPIN-OFF

Upon completion of the Proposed Spin-off, the Consumer Infrastructure REIT will indirectly hold the entire interest in the Project and it is anticipated that the Company, through the Project Company, will hold 40% of the total Units of the Consumer Infrastructure REIT. Therefore, the Proposed Spin-off will result in the reduction of the Company's indirect interest in the Project from 100% to 40% and the financial results of the Project will cease to be consolidated in the Group's financial statements upon completion of the Proposed Spin-off.

The overall impact on profit or loss that the Company expects to record from the Proposed Spin-off will mainly include the difference between the consideration for the transfer of the entire equity interest in the New Project Company, which holds the Project, by the Project Company to the SPV, which will depend on, among other things, the offer price of the Consumer Infrastructure REIT, and the carrying value of the Project in the consolidated accounts of the Company, and the relevant transaction costs.

The actual amount of gain or loss as a result of the Proposed Spin-off will be assessed after its completion and will be subject to the review and final audit by the auditors of the Company.

INFORMATION ON THE PROJECT

The Project comprises the shopping center consisting of three buildings, an underground structure and car park spaces with a total gross floor area of approximately 172,500 square meters and is located on Dayue Road, Wuhou District, Chengdu, the PRC. The Project commenced operations in 2015, and is owned and operated by the Group as of the date of this announcement.

The table below sets out the unaudited pro forma financial information of the Project for the two years ended 31 December 2023 prepared in accordance with generally accepted accounting principles in the PRC:

	For the year ended	
	31 December	
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	239,944	334,963
Profit before taxation	84,339	144,887
Profit after taxation	63,254	108,665

The unaudited pro forma net asset value of the Project as at 31 December 2023 prepared in accordance with generally accepted accounting principles in the PRC was approximately RMB1,171,586,000.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Directors consider that the Proposed Spin-off is commercially beneficial and in the interests of the Shareholders for the following reasons:

- (i) the Proposed Spin-off provides an alternative equity-based financing method for the Company, which will diversify the fundraising methods and platforms of the Group. Through the Proposed Spin-off, the Company will have the opportunity to realise the market value of properties that are in the mature and developed stage and enhance the Company's rolling investment capability and sustainable operation of the Project, which will be beneficial to the Company's long-term performance;
- (ii) the estimated gross proceeds from the listing of the Consumer Infrastructure REIT, based on the preliminary valuation of the Project and the information available as at the date of this announcement, is expected to be approximately RMB3,348,000,000. Based on such estimated gross proceeds and excluding subscription amount by the Group for 40% of the total Units and related costs and taxes, the estimated net proceeds to be received by the Group from the Proposed Spin-off will be approximately RMB1,670,000,000, which will provide the Group with capital for new investment opportunities and funds for its operations, thereby enabling the Group to improve its liquidity and gearing position;

- (iii) as the Company, through the Project Company, will subscribe 40% of the Units of the Consumer Infrastructure REIT, the Company will continue to benefit from the business prospects and financial results of the Consumer Infrastructure REIT in the long term, through stable return that it will receive in the form of distribution as a holder of the Units of the Consumer Infrastructure REIT and the fees in relation to the services provided by the Operations Manager;
- (iv) the Proposed Spin-off provides an opportunity for the Group to improve the Group's profile, strengthen the influence of its brand and thereby enhance its ability to attract strategic investors; and
- (v) the Proposed Spin-off will provide the Consumer Infrastructure REIT with a separate listing platform in the PRC for its business development and expansion, which will enable it to have direct access to the PRC capital market.

As of the date of this announcement, other than the Project, the Group holds 19 investments properties and the Group will continue its operations relating to the investment properties business segment after the Proposed Spin-off.

In view of the above, the Directors believe that the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

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 and Hong Kong.

The Project Company

The Project Company is a company established in the PRC with limited liability and it is an indirect wholly-owned subsidiary of the Company. The Project Company is principally engaged in holding investments and properties in the PRC.

The SPV

The SPV is a company established in the PRC with limited liability and it is newly incorporated for the purpose of the Reorganisation. As of the date of this announcement, the entire equity interest in the SPV is held by the Project Company and hence the SPV is an indirect wholly-owned subsidiary of the Company. As part of the Reorganisation, among other things, the entire equity interest of the SPV will be transferred to the Scheme under the Consumer Infrastructure REIT and the SPV will be subsequently merged into the New Project Company.

The New Project Company

The New Project Company is a company established in the PRC with limited liability and it is newly incorporated with the purpose of holding the Project under the Consumer Infrastructure REIT. As of the date of this announcement, the entire equity interest in the New Project Company is held by the Project Company and hence the New Project Company is an indirect wholly-owned subsidiary of the Company. As part of the Reorganisation, among other things, the entire equity interest of the New Project Company will be transferred to the Consumer Infrastructure REIT and upon completion of the Proposed Spin-off, the Consumer Infrastructure REIT, through the Scheme, will hold the entire equity interest in the New Project Company.

The Operation Manager

The Operation Manager is a company established in the PRC with limited liability and it is newly incorporated with the purpose of providing operation management, property management and car park management services to the Project after completion of the Proposed Spin-off. The Operation Manager is an indirect wholly-owned subsidiary of the Company.

The REIT Manager

The REIT Manager, namely CAMC, is a company established in the PRC with limited liability and owned as to approximately 62.2% and 37.8% by CITIC and other Independent Third Parties, respectively. The REIT Manager is principally engaged in the sales and raising of funds, asset management and other businesses as approved by the CSRC. The REIT Manager will be responsible for making decisions in respect of the investment and management of the Project, including but not limited to annual budgets, approval of operation plans, etc. The REIT Manager will also implement rules for approving connected transactions and mechanism for handling conflict of interests situations to ensure that the Consumer Infrastructure REIT will operate independently from the Group (excluding the Consumer Infrastructure REIT and the Project).

The Scheme Manager

The Scheme Manager, namely CITIC, is a company established in the PRC with limited liability and whose H shares are listed on the Stock Exchange in Hong Kong (stock code: 6030) and A shares are listed on the SSE (stock code: 600030). The Scheme Manager will manage the Scheme. The Scheme Manager is principally engaged in investment banking, wealth management, asset management, financial markets and other related financial services.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the REIT Manager and the Scheme Manager and their respective ultimate beneficial owners are Independent Third Parties.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15 OF THE LISTING RULES

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC legal counsel of the Company, according to relevant laws and regulations of the PRC, investors subscribing for units of public funds must have RMB ordinary securities accounts, close-end fund accounts or open-end fund accounts maintained through China Securities Depository and Clearing Corporation Limited (“**CSDC Open-end Fund Accounts**”). RMB ordinary securities accounts and close-end fund accounts can only be opened by (i) qualified PRC investors, including PRC citizens satisfying the age requirements, foreigners with PRC permanent resident status, and ordinary PRC institutional investors; (ii) qualified foreign investors, including residents from Hong Kong, Macau and Taiwan who work and reside in the mainland of the PRC; and (iii) qualified special institutions and products including, among others, qualified foreign institutional investors and RMB qualified foreign institutional investors. CSDC Open-end Fund Accounts can only be opened by (a) individual investors with certain valid identification documents such as identification cards, etc.; and (b) other institutional and individual investors that fulfil the account opening standards of fund sales agencies institutions ((i) to (iii) and (a) to (b) above are collectively referred to as “**Qualified Investors**”). As at 23 May 2024, approximately 35.51% of the total issued shares of the Company were held by its investors through HKSCC Nominees Limited according to the register of members of the Company. The Company is unable to ascertain the identifications of the Shareholders or further assess whether such Shareholders are Qualified Investors. Accordingly, not all, if any, of the existing Shareholders will be qualified to hold the Units following the Proposed Spin-off, and thus compliance with paragraph 3(f) of PN15 in relation to the Public Offering will not be feasible.

Further, the PRC legal counsel also advised that according to the requirements of relevant laws and regulations such as the Law of the PRC on Funds for Investment in Securities (《中華人民共和國證券投資基金法》), the Guidance, and the Shenzhen Stock Exchange's Guidelines for the Application of the Rules for Public Offering of Infrastructure Securities Investment Funds (REITs) No. 2 – Offering Business (Trial)*《深圳證券交易所公開募集基礎設施證券投資基金業務指引第2號–發售業務(試行)》, unless otherwise prescribed by law, the investors of the Consumer Infrastructure REIT are unable to be provided with a preferential allocation of the units on the ground that all investors shall be treated equally. Except for the strategic placement to the original owners of the Consumer Infrastructure REIT or their related parties under common control and the units offered to offline investors in accordance with the applicable laws and regulations, the relevant laws and regulations do not grant other specific entities the right to subscribe for a specific percentage of the units of public funds on a preferential basis. Pursuant to the applicable PRC laws and regulations, the Company is unable to ascertain the identifications of the Shareholders or further assess whether such Shareholders are qualified to participate in the preferential allocations. Accordingly, the Company is not able to provide Shareholders with assured entitlement by way of preferential allocation of the Units.

In addition, pursuant to relevant requirements of the Guidance, if the original owner of the infrastructure assets holds not less than 20% of the Units, it must hold 20% of such Units for at least 60 months from the listing date of the Consumer Infrastructure REITs, whilst the part of the Units held by such original owner in excess of such 20% must be held by it for at least 36 months from the listing date of the Consumer Infrastructure REITs. Subject to such regulations, it is impractical to transfer or distribute the Units to the Shareholders.

After due and careful consideration of the Proposed Spin-off and having taken into account the advice from the PRC legal counsel on the legal impediments in fulfilling such requirement, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of PN15 in connection with the Proposed Spin-off. Accordingly, the Board considers that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and the Shareholders as a whole. The Company has also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of Practice Note 15 of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Group indirectly holds the entire interest in the Project. Upon completion of the Proposed Spin-off, the Company's indirect interest in the Project will be reduced to 40%. As such, the Proposed Spin-off, if materialised, will constitute a deemed disposal under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Spin-off exceeds 25% but is less than 75%, the Proposed Spin-off constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and PN15 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at the general meeting to approve the Proposed Spin-off and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders have any material interest in the Proposed Spin-off and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off and the transactions contemplated thereunder.

As at the date of this announcement, Grandjoy Holdings Group holds 9,133,667,644 Shares (representing approximately 64.18% of the issued Shares). As the Company has obtained the Written Approval from Grandjoy Holdings Group, no special general meeting will be convened by the Company for the purpose of approving the Proposed Spin-off and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to consider and advise the Shareholders in respect of the terms of the Proposed Spin-off and the transactions contemplated thereunder. Dongxing Securities (Hong Kong) Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in this regard.

A circular containing, among other things, (a) details of the Proposed Spin-off and the transactions contemplated thereunder; (b) the recommendation of the Independent Board Committee to the Shareholders; and (c) a letter from the Independent Financial Adviser to the Independent Board Committee and the Shareholders in relation to the Proposed Spin-off, will be despatched to the Shareholders for information purposes only on or before 17 June 2024 so as to allow sufficient time for the preparation of the relevant information to be included in the circular.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among other things, the prevailing market conditions and approvals from relevant authorities, including the CSRC and the Shenzhen Stock Exchange. Accordingly, the Proposed Spin-off may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“CAMC”	China Asset Management Co., Ltd.* (華夏基金管理有限公司), a company established in the PRC with limited liability and an Independent Third Party
“Circular”	Circular on Work Related to Effectively Regulating the Application Procedure of Real Estate Investment Trusts for the Infrastructure Sector by the NDRC* (《國家發展改革委關於規範高效做好基礎設施領域不動產投資信託基金(REITs)專案申報推薦工作的通知》發改投資〔2023〕236號) issued by the National Development and Reform Commission

“CITIC”	CITIC Securities Co., Ltd.* (中信證券股份有限公司), a company established in the PRC with limited liability and an Independent Third Party
“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: 207)
“Consumer Infrastructure REIT”	A publicly traded consumer type infrastructure-backed securities investment fund set up by the Company in accordance with the Guidance, the Circular and other applicable laws and regulations in the PRC
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Grandjoy Holdings Group”	Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司), a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000031.SZ) and a controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Guidance”	Guidance on Public Offering of Infrastructure Securities Investment Fund (Trial)* (公開募集基礎設施證券投資基金指引(試行)) promulgated by CSRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose, <i>GBS, JP</i> , Mr. Lam Kin Ming, Lawrence and Mr. Chan Fan Shing formed for the purpose of advising the Shareholders in respect of the Proposed Spin-off and the transactions contemplated thereunder
“Independent Financial Adviser”	Dongxing Securities (Hong Kong) Company Limited, who has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off and the transactions contemplated thereunder

“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Project Company”	Chengdu Boyue Commercial Management Co., Ltd.* (成都博悅商業管理有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Operation Manager”	Joy City Commercial Operation and Management (Tianjin) Company Limited* (大悅城商業運營管理(天津)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“PN15”	Practice Note 15 to the Listing Rules
“PN15 Application”	the application made by the Company to the Stock Exchange pursuant to PN15 on the Proposed Spin-off
“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
“Project”	Chengdu Joy City (成都大悅城), which is held by the New Project Company as at the date of this announcement
“Project Company”	Zhuoyuan Property (Chengdu) Company Limited* (卓遠地產(成都)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Proposed Spin-off”	the proposed spin-off and separate listing of the Consumer Infrastructure REIT on the Shenzhen Stock Exchange, which will indirectly hold the entire interest in the Project
“Public Offering”	the public offering of the Units under the Proposed Spin-off
“REIT Manager”	CAMC, being the manager of the Consumer Infrastructure REIT
“Reorganisation”	the reorganisation steps to implement the Proposed Spin-off as set out under the section headed “The Proposed Spin-off – The structure of the Consumer Infrastructure REIT and the Public Offering”

“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the asset-backed special scheme to be held by the Consumer Infrastructure REIT and managed by the Scheme Manager
“Scheme Manager”	CITIC, being the manager of the Scheme
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“SPV”	Chengdu Rongyue Commercial Management Co., Ltd.* (成都榮悅商業管理有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unit(s)”	the unit(s) of the Consumer Infrastructure REIT
“Written Approval”	the written approval in relation to the Proposed Spin-off and the transactions contemplated there under by Grandjoy Holdings Group pursuant to Rule 14.44 of the Listing Rules
“%”	per cent

In this announcement, unless the context requires otherwise, the terms “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “percentage ratio(s)” 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
CHEN Lang
Chairman

The PRC, 24 May 2024

As at the date of this announcement, the Board comprises Mr. CHEN Lang as Chairman and non-executive Director; Mr. YAO Changlin as executive Director; 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.