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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)

DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 18 January 2023 (after trading hours), Nanchang Jiayue, an indirect non wholly-owned subsidiary of the Company, entered into the Loan Agreement with Xiamen Yiyue and Jiangxi Yikai, pursuant to which Nanchang Jiayue agreed to provide unsecured revolving loan facilities of an aggregate amount up to RMB147,000,000 to Xiamen Yiyue in accordance with the terms and conditions under the Loan Agreement. Nanchang Jiayue is principally engaged in the development in, and the investment of, commercial and residential properties in Chaoyang New City Area, Xihu District, Nanchang, the PRC and is wholly-owned by Nanchang Yuebai, which in turn is owned as to 51% and 49% by Nanchang Heyue, an indirect wholly-owned subsidiary of the Company, and Jiangxi Yikai, respectively. The Loan is provided by Nanchang Jiayue to Xiamen Yiyue in proportion to the indirect equity interest in Nanchang Jiayue owned by Jiangxi Yikai.

LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated 1 November 2022 in relation to, among other things, the Previous Loan Agreement. As the Previous Loan Agreement was entered into on 1 November 2022, which was within the past 12 months from the date of the Loan Agreement, the Previous Loan Agreement and the Loan Agreement are aggregated in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Previous Loan Agreement and the Loan Agreement, when aggregated, are more than 5% but are all less than 25%, the provision of the Loan pursuant to the Loan Agreement constitutes a discloseable transaction of the Company pursuant to the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the total assets, profits and revenue of each of Nanchang Yuebai and Nanchang Jiayue compared to that of the Group are less than 10% under the percentage ratios for the respective periods from 2 July 2021 (date of incorporation for Nanchang Yuebai) to 30 June 2022 and from 31 December 2020 (date of incorporation for Nanchang Jiayue) to 30 June 2022, each of Nanchang Yuebai and Nanchang Jiayue is an insignificant subsidiary of the Company. As at the date of this announcement, Jiangxi Yikai holds 49% equity interest in Nanchang Yuebai, and accordingly is a substantial shareholder of an insignificant subsidiary of the Company, and Xiamen Yiyue is a fellow subsidiary and an associate of Jiangxi Yikai. Notwithstanding that Jiangxi Yikai is a substantial shareholder of Nanchang Yuebai and Xiamen Yiyue is an associate of Jiangxi Yikai, each of Jiangxi Yikai and Xiamen Yiyue and their ultimate beneficial owner(s) are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, the Loan does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 1 November 2022 in relation to, among other things, the Previous Loan Agreement. On 18 January 2023, Nanchang Jiayue, an indirect non wholly-owned subsidiary of the Company, entered into the Loan Agreement with Xiamen Yiyue and Jiangxi Yikai, pursuant to which Nanchang Jiayue agreed to provide unsecured revolving loan facilities of an aggregate amount up to RMB147,000,000 to Xiamen Yiyue in accordance with the terms and conditions under the Loan Agreement. Nanchang Jiayue is principally engaged in the development in, and the investment of, commercial and residential properties in Chaoyang New City Area, Xihu District, Nanchang, the PRC and is wholly-owned by Nanchang Yuebai, which in turn is owned as to 51% and 49% by Nanchang Heyue, an indirect wholly-owned subsidiary of the Company, and Jiangxi Yikai, respectively. The Loan is provided by Nanchang Jiayue to Xiamen Yiyue in proportion to the indirect equity interest in Nanchang Jiayue owned by Jiangxi Yikai.

PROVISION OF FINANCIAL ASSISTANCE

The principal terms of the Loan Agreement are set out below:

Provision of unsecured revolving loan facilities

Pursuant to the Loan Agreement, Nanchang Jiayue has agreed to provide unsecured revolving loan facilities in the aggregate amount of not more than RMB147,000,000 to Xiamen Yiyue. The loan period of the Loan Agreement is three years (the “**Loan Period**”) commencing from draw down, which is expected to take place in January 2023. Xiamen Yiyue may draw down and repay in whole or in part the Loan in accordance with the terms and conditions of the Loan Agreement during the Loan Period, provided that the aggregate amount drawn down under the Loan at any time during the Loan Period does not exceed RMB147,000,000.

In the event that Xiamen Yiyue is in breach of the terms and conditions of the Loan Agreement, Nanchang Jiayue shall be entitled to remedies including, amongst other things, requesting Xiamen Yiyue to compensate for any loss arising due to such breach and the deduction of any outstanding balances owed by Xiamen Yiyue from any amount payable by Nanchang Jiayue to Jiangxi Yikai, Xiamen Yiyue or any of their related parties (including, amongst other things, dividends).

Interest rate and payment

The interest rate for the amounts drawn down for the Loan under the Loan Agreement is 4.3% per annum, which is determined with reference to the five year loan prime rate as published by the banks authorised by the People's Bank of China on 20 December 2022. The interest payments on the outstanding principal amount shall be payable on an annual basis to Nanchang Jiayue.

Repayment date

The repayment date of the principal amount and the outstanding interest shall be on the date falling on the end of the Loan Period. Nanchang Jiayue may demand for an early repayment of the loan facilities pursuant to the Loan Agreement.

REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE

As at the date of this Announcement, Nanchang Jiayue is wholly-owned by Nanchang Yuebai, which in turn is owned as to 51% and 49% by Nanchang Heyue, an indirect wholly-owned subsidiary of the Company, and Jiangxi Yikai, respectively. Nanchang Jiayue is accounted for as an indirect subsidiary of the Company and the financial results, assets and liabilities of Nanchang Jiayue are consolidated into the accounts of the Group.

Nanchang Jiayue is principally engaged in the investment in and development of residential and commercial properties (such as shopping mall, office buildings and service apartments) in Chaoyang New City Area, Xihu District, Nanchang, the PRC (the “**Project**”). As of the date of this announcement, the sale of the residential properties is in progress, among which most of them have been sold. Further, as of the date of this announcement, the properties under the Project are under construction, which are expected to be delivered in stages between 2023 and 2025. As of the date of this announcement, Nanchang Jiayue has not yet met the conditions for distribution of profits of the Project to its shareholders. Therefore, in addition to the loan already provided pursuant to the Previous Loan Agreement, Nanchang Jiayue agreed to further provide a loan to each of Joy City Commercial (a fellow subsidiary of Nanchang Heyue) and Xiamen Yiyue (a fellow subsidiary of Jiangxi Yikai) on pro rata basis according to the respective indirect equity interest owned by Nanchang Heyue and Jiangxi Yikai in Nanchang Jiayue to replenish the working capital of its shareholders on a short-term basis.

The Directors believe that it is in the interest of the Company to refund the surplus funds held by Nanchang Jiayue by way of loans from Nanchang Jiayue to replenish the working capital of the Group. In addition, interest income will be generated from the Loan based on the outstanding principal amounts of the Loan, which will contribute to the income of the Group. Further, the terms of the Loan Agreement were negotiated on an arm's length basis between the relevant parties based on, among other things, the financing needs requested by Jiangxi Yikai on behalf of Xiamen Yiyue and Nanchang Jiayue's assessment on the source of funds for repayment and the business conditions and creditworthiness of Xiamen Yiyue and Jiangxi Yikai.

Based on the above, the Directors (including the independent non-executive Directors) consider the terms of the Loan Agreement are entered into on normal commercial terms or better, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in the Loan Agreement and the transactions contemplated thereunder.

INFORMATION ON THE PARTIES

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.

Nanchang Jiayue

Nanchang Jiayue is a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company. Nanchang Jiayue is directly wholly-owned by Nanchang Yuebai, which in turn is owned as to 51% and 49% by Nanchang Heyue, an indirect wholly-owned subsidiary of the Company, and Jiangxi Yikai, respectively. It is principally engaged in real estate development, property investment and development, and the investment and the development of the Project.

Jiangxi Yikai

Jiangxi Yikai is a company incorporated in the PRC with limited liability and is a substantial shareholder which directly owns 49% equity interest in Nanchang Jiayue. It is primarily engaged in investment holding and property investment and development. Jiangxi Yikai is indirectly wholly-owned by C&D International Investment Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1908) and a prominent property developer in the PRC.

Xiamen Yiyue

Xiamen Yiyue is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of Libai Holdings Company Limited, and therefore a fellow subsidiary of Jiangxi Yikai. It is primarily engaged in real estate development, property investment and development.

As at the date of this announcement, Jiangxi Yikai holds 49% equity interest in Nanchang Yuebai, and accordingly is a substantial shareholder of an insignificant subsidiary of the Company, and Xiamen Yiyue is a fellow subsidiary and an associate of Jiangxi Yikai. Notwithstanding that Jiangxi Yikai is a substantial shareholder of Nanchang Yuebai and Xiamen Yiyue is an associate of Jiangxi Yikai, each of Jiangxi Yikai and Xiamen Yiyue and their ultimate beneficial owner(s) are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules. On such basis, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jiangxi Yikai and Xiamen Yiyue and their respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated 1 November 2022 in relation to, among other things, the Previous Loan Agreement. As the Previous Loan Agreement was entered into on 1 November 2022, which was within the past 12 months from the date of the Loan Agreement, the Previous Loan Agreement and the Loan Agreement are aggregated in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Previous Loan Agreement and the Loan Agreement, when aggregated, are more than 5% but are all less than 25%, the provision of the Loan pursuant to the Loan Agreement constitutes a discloseable transaction of the Company pursuant to the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the total assets, profits and revenue of each of Nanchang Yuebai and Nanchang Jiayue compared to that of the Group are less than 10% under the percentage ratios for the respective periods from 2 July 2021 (date of incorporation for Nanchang Yuebai) to 30 June 2022 and from 31 December 2020 (date of incorporation for Nanchang Jiayue) to 30 June 2022, each of Nanchang Yuebai and Nanchang Jiayue is an insignificant subsidiary of the Company. As at the date of this announcement, Jiangxi Yikai holds 49% equity interest in Nanchang Yuebai, and accordingly is a substantial shareholder of an insignificant subsidiary of the Company, and Xiamen Yiyue is a fellow subsidiary and an associate of Jiangxi Yikai. Notwithstanding that Jiangxi Yikai is a substantial shareholder of Nanchang Yuebai and Xiamen Yiyue is an associate of Jiangxi Yikai, each of Jiangxi Yikai and Xiamen Yiyue and their ultimate beneficial owner(s) are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, the Loan does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Joy City Property Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 207)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	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
“Jiangxi Yikai”	Jiangxi Yikai Real Estate Co., Ltd.* (江西億凱房地產有限公司), a company incorporated in the PRC with limited liability and a substantial shareholder of Nanchang Yuebai
“Joy City Commercial”	Joy City Commercial Management (Tianjin) Co., Ltd.* (大悦城商業管理(天津)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and a fellow subsidiary of Nanchang Heyue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured revolving loan of an aggregate amount up to RMB147,000,000 agreed to be provided by Nanchang Jiayue to Xiamen Yiyue pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement entered into between Nanchang Jiayue, Xiamen Yiyue and Jiangxi Yikai on 18 January 2023 in respect of the Loan
“Nanchang Heyue”	Nanchang Heyue Corporate Management Co., Ltd.* (南昌合悦企業管理有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Nanchang Jiayue”	Nanchang Jiayue Real Estate Development Co., Ltd.* (南昌嘉悦房地產開發有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Nanchang Yuebai and an insignificant subsidiary of the Company

“Nanchang Yuebai”	Nanchang Yuebai Corporate Management Co., Ltd.* (南昌悦佰企業管理有限公司), a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary and an insignificant subsidiary of the Company
“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
“Previous Loan Agreement”	the loan agreement entered into between Nanchang Jiayue, Xiamen Yiyue and Jiangxi Yikai on 1 November 2022 in respect of an unsecured revolving loan of an aggregate amount up to RMB147,000,000 agreed to be provided by Nanchang Jiayue to Xiamen Yiyue
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Yiyue”	Xiamen Yiyue Real Estate Co., Ltd.* (廈門益悅置業有限公司), a company incorporated in the PRC with limited liability and a fellow subsidiary and associate of Jiangxi Yikai
“%”	per cent.

In this announcement, unless the context requires otherwise, the terms “associate”, “connected person”, “insignificant subsidiary”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder(s)” 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 concerned.*

By order of the Board
Joy City Property Limited
CHEN Lang
Chairman

Hong Kong, 18 January 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.