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## **DISCLOSEABLE TRANSACTION PROVISION OF THE GUARANTEE**

### **PROVISION OF THE GUARANTEE**

On 27 March 2023 (after trading hours), the Company, as guarantor, entered into the Guarantee Agreement in favour of China Minsheng Bank as security for the Financing Agreement, pursuant to which the bank loan of RMB2,500,000,000 in aggregate will be provided to the Project Company for a loan period of 4.5 years, and the Company agreed to guarantee 20% of the payment obligations of the Project Company under the Financial Agreement up to a maximum amount of not more than RMB500,000,000, which is in proportion to the Company's indirect equity interest in the Project Company. The Project Company is principally engaged in the development of a commercial and financial property project in Pingguoyuan Sub-district, Shijingshan District, Beijing, the PRC, and is owned as to 20% and 80% by Beijing Xiangsheng, an indirect wholly-owned subsidiary of the Company, and other Independent Third Parties, respectively.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the maximum guarantee amount under the Guarantee, when aggregated with the Shareholder Loan, exceeds 5% but are all less than 25%, the provision of the Guarantee 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.

### **BACKGROUND**

Reference is made to the Company's announcement dated 24 August 2022 in relation to the provision of the Shareholder Loan of not more than RMB380,000,000 at nil interest by Beijing Xiangsheng to the Project Company in accordance with the terms and conditions under the Loan Agreement.

On 15 December 2022, the Project Company and China Minsheng Bank entered into the Financing Agreement, pursuant to which the bank loan of RMB2,500,000,000 in aggregate will be provided to the Project Company for a loan period of 4.5 years. The financing provided to the Project Company under the Financing Agreement will be mainly used for funding the construction and development of a commercial and financial property project in Pingguoyuan Sub-district, Shijingshan District, Beijing. As security for the Financing Agreement, the Project Company will pledge its land and buildings to China Minsheng Bank and in addition, the Company and Beijing Huayuan Realty are required to provide a guarantee 20% and 80%, respectively, of the payment obligations of the Project Company under the Financing Agreement in favour of China Minsheng Bank on a several basis. Accordingly, on 27 March 2023 (after trading hours), the Company, as guarantor, entered into the Guarantee Agreement in favour of China Minsheng Bank setting out the terms and conditions for the Guarantee from the Company as security for the Financing Agreement.

## **PROVISION OF THE GUARANTEE**

The principal terms of the Guarantee Agreement are summarised below:

### **Term and the guarantee amount**

Pursuant to the Guarantee Agreement, the Company agreed to guarantee 20% of the payment obligations of the Project Company under the Financial Agreement in favour of China Minsheng Bank up to a maximum amount of not more than RMB500,000,000, which is in proportion to the Company's indirect equity interest in the Project Company. The obligations under the Guarantee will commence from the date of the Guarantee Agreement, and the term of the Guarantee will expire three years after the time limit for the Project Company fulfilling its obligations under the Financing Agreement pursuant to terms and conditions therein.

## **REASONS FOR AND BENEFITS OF THE GUARANTEE**

The Project Company is principally engaged in the development of a commercial and financial property project in Pingguoyuan Sub-district, Shijingshan District, Beijing, the PRC, and is owned as to 20% and 80% by Beijing Xiangsheng and other Independent Third Parties, respectively. Pursuant to the co-operation agreement among the shareholders of the Project Company, they will provide financial assistance to the Project Company on a pro rata basis according to their respective equity interest in the Project Company. Accordingly, the Guarantee will be provided by the Company in proportion to its indirect equity interest in the Project Company. The Directors believe that the provision of the Guarantee, together with the Shareholder Loan, supports the development of the commercial and financial property project in Pingguoyuan Sub-district, Shijingshan District, Beijing, the PRC carried out by the Project Company in accordance with its capital requirements. It is also in the interest of the Company to facilitate the development of the such project held by the Project Company for sale, as such development project is expected to contribute returns to the Project Company, and thus benefit the Company.

Based on the above, the Directors consider the terms of the Guarantee are entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **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 and Hong Kong.

Beijing Xiangsheng is a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and a direct shareholder of the Project Company. It is principally engaged in the development of and investment in properties in the PRC.

### **The Project Company**

The Project Company is a company incorporated in the PRC with limited liability, equity interest of which is held as to 20% by Beijing Xiangsheng and 80% by other shareholders which are Independent Third Parties, namely Beijing Huayuan Realty Co., Ltd.\* (北京市華遠置業有限公司) as to 50% and Beijing Shangdong Zhiyuan Property Development Co., Ltd.\* (北京上同致遠房地產開發有限公司) as to 30%. Beijing Shangdong Zhiyuan Property Development Co., Ltd.\* (北京上同致遠房地產開發有限公司) is a direct wholly-owned subsidiary of Beijing Huayuan Realty Co., Ltd.\* (北京市華遠置業有限公司), which is in turn a direct wholly-owned subsidiary of Hua Yuan Property Co., Ltd. (華遠地產股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600743.SH).

The Project Company is primarily engaged in the development of a commercial and financial property project in Pingguoyuan Sub-district, Shijingshan District, Beijing, the PRC, which comprises of six office and commercial buildings and a shopping mall. As of the date of this announcement, the construction of all the office and commercial buildings have been completed and the structural and electrical installation works for the shopping mall have been completed. Further, as of the date of this announcement, the sales of the office and commercial buildings has commenced, among which two buildings have been sold, and the shopping mall is expected to open for business within 2023.

## **China Minsheng Bank**

China Minsheng Bank is incorporated in the PRC with limited liability, which A shares are listed on the Shanghai Stock Exchange (stock code: 600016) and H Shares are listed on the Stock Exchange (stock code: 01988), and is the first national joint stock commercial bank with contributions from non-state-owned enterprises in the PRC. China Minsheng Bank and its subsidiaries mainly engage in the following commercial banking activities: deposits taking from the general public; provision of short-, medium- and long-term loans; domestic and international settlement; bills acceptance and discounting; issue of financial bonds; agency issue, cashing and underwriting of government bonds; trading of government bonds and financial bonds; inter-bank borrowing and lending; trading or agency trading of foreign exchange; bank card business; L/C services and guarantee; agency collections and payments and agency insurance; safe-box services, and other banking activities approved by relevant regulatory authorities.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Project Company and China Minsheng Bank and its ultimate beneficial owners are not connected persons of the Company pursuant to the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the maximum guarantee amount under the Guarantee, when aggregated with the Shareholder Loan, exceeds 5% but are all less than 25%, the provision of the Guarantee 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.

## **DEFINITIONS**

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

“Beijing Xiangsheng”	Beijing Xiangsheng Realty Co., Ltd.* (北京享晟置業有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“China Minsheng Bank”	China Minsheng Banking Corp., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively

“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)
“Director(s)”	the director(s) of the Company
“Financing Agreement”	the financing agreement entered into between the Project Company and China Minsheng Bank on 15 December 2022 pursuant to which China Minsheng Bank will provide the bank loan of RMB2,500,000,000 in aggregate to the Project Company for a loan period of 4.5 years at the interest rate determined with reference to the prevailing loan prime rate in the PRC plus certain basis points
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Company pursuant to the Guarantee Agreement in favour of China Minsheng Bank for 20% of the payment obligations of the Project Company under the Financing Agreement up to a maximum amount of not more than RMB500,000,000, which is in proportion to the equity interest in the Project Company indirectly owned by the Company
“Guarantee Agreement”	the guarantee agreement entered into between the Company and China Minsheng Bank on 27 March 2023 in favour of China Minsheng Bank in relation to the Guarantee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Loan Agreement”	the loan agreement entered into between Beijing Xiangsheng and the Project Company on 24 August 2022 in respect of the Shareholder Loan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Company”	Beijing Xinrun Zhiyuan Property Development Co., Ltd.* (北京新潤致遠房地產開發有限公司), a joint stock limited company incorporated in the PRC with limited liability, equity interest of which is held as to 20% by Beijing Xiangsheng and 80% by Independent Third Parties
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder Loan”	the shareholder loan of not more than RMB380,000,000 agreed to be provided by Beijing Xiangsheng to the Project Company pursuant to the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*In this announcement, unless the context requires otherwise, the terms “connected person”, “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, 27 March 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.*