



(incorporated in Bermuda with limited liability)

(Stock code: 207)

## JOY CITY PROPERTY ANNOUNCED 2017 INTERIM RESULTS

***Follow the Market Trends, core net profit gained a significant increase of 193%***

### **Results Summary:**

- Total revenue was RMB 4,814 million, increased by 72.5% YOY
- The profit of the Group amounted to RMB 1,403 million, the profit attributable to the owners of the Company amounted to RMB 654 million, increased by 64% YOY.
- The core net profit amounted to RMB 820 million, representing a YOY increase of 193%.
- Core net profit to shareholders increased by 89% to RMB 323 million
- The Group achieved contracted sales amount of approximately RMB 3,480.6 million with a contracted area of 56,288.0 sq.m., up by 151.3% and 85.2% as compared with the corresponding period of last year, respectively.
- Net gearing ratio of the Group decreased by 31 pps to 29 % YOY

(Hong Kong, 21 August 2017) **Joy City Property Limited** (“Joy City Property” or the “Company”, Stock Code: 0207) announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2017 (the “Period”).

During the reporting period, due to the excellent performance from property development and investment properties rental, the group’s total revenue was RMB 4,814 million, increased by 73% YOY; The profit of the Group amounted to RMB 1,403 million, the profit attributable to the owners of the Company amounted to RMB 654 million, increased by 64% YOY. Excluding the change in fair value of investment properties after tax and the change in exchange rate, The core net profit amounted to RMB 820 million, representing a YOY increase of 193%. Core net profit to shareholders increased by 89% to RMB 323 million. The Group achieved contracted sales amount of approximately RMB 3,480.6 million with a contracted area of 56,288.0 sq.m., up by 151.3% and 85.2% as compared with the corresponding period of last year, respectively; The Group continuously endeavoured to reduce its debt costs, and therefore decreased its average borrowing cost rate to 4.28% for the first half of 2017.

In 2017, the Group achieved relatively steady performance in the four main segments such as property investment, property development, hotel operation, property management and related services.

**For investment properties business,** During the period under review, the Group's investment properties maintained a sound operation status with a steady growth of performance. Rental income from investment properties and related property management services increased by approximately 12.3% as compared with the corresponding period of last year. In particular, through optimising brand portfolio and expanding customer source, Chengdu Joy City achieved a significant growth of performance, with sales up by 61.6% and rental income by 30.8% as compared with the corresponding period of last year. In addition, Shanghai Jing'an Joy City and Yantai Joy City both achieved a two-digit growth in both sales and rental income, maintaining their leading positions in the industry.

**For property development business,** during the period under review, The Group captured market opportunities and acted on such momentum to speed up the sales settlement circle, achieving a more rapid growth in its sales performance. The Group recorded contracted sales of RMB 3,481 million from the property development, representing a year-on-year increase of 151%, and revenue of RMB 2,506 million, representing a year-on-year increase of 276%.

**For hotel operation business,** the Group continued to enhance brand positioning and create hotel features to improve the service quality and enhance operating efficiency. In this way, the EBITDA of hotel business increased by 14.0% as compared with the corresponding period last year.

Looking to the future, **the Vice President of COFCO Group, the Chairman of Joy City Property Limited, Mr. Zhou Zheng** said: "With the expansion of the middle-class group and an increase in the consumer income, the consumption demands in the PRC have been progressing from living type consumption for clothing, food, housing and transportation to enjoying consumption at the spiritual level. Against this backdrop, experience, catering, education, and service type consumption will cause huge impacts on the layout of the commercial property. Upgrade and innovation in assets utilisation, product creation, business operation, diversified cross-sector cooperation for commercial property, a sector with the most promising development potential in real estate market, explore and develop the "big capital" strategy, gradually promote the transition from develop and operation mode to Asset management mode. The Group will create unique products while achieving an emotional resonance from their consumers. Reform and innovation will be the core ideas for guiding the commercial property to "maintain a leading position".

#### **About Joy City Property Limited**

Joy City Property Limited (HK00207) is the leading commercial property developer and operator of

COFCO Group, focusing on the development, operation, sales, leasing and management of complexes and commercial properties in the PRC.

The group mainly engages in the development, operation and management of mixed-use complexes under the brand of Joy City, and owns projects include several Joy City complexes in Beijing, Shanghai and other tier 1 and tier 2 cities. The group also has prime investment properties strategically located in first-tier cities, including Beijing COFCO Plaza and Hong Kong COFCO Tower, as well as high quality properties held by the Group, namely Shanghai Joy City Joy mansion one. The Group operates a number of national high-end luxury hotels, including W Beijing-Chang' an, The St. Regis Sanya Yalong Bay Resort and MGM Grand Sanya. These high quality property projects are strategically located in central districts of first or key second tier cities with good investment and appreciation potentials.

Looking forward, the Group will maintain the two-wheel-drive business strategy of “holding and selling properties”, the development strategy of “light and heavy asset”, and establish the development model of “Joy City Asset Management” combined real estate with finance, enhancing product quality and cost-effectiveness, so as to create value for its customers, shareholders and partners. The group will inherit the ideals of “Sustain Operating for Centuries”, and preserve with the “young, fashionable, trendy and quality” brand spirit of Joy City to lead the trend of new city lifestyle of China. It is a mission of the Group to assist in coordination among and development of cities in China and become a leading complex and commercial property developer in the PRC.

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