JOY CITY PROPERTY LIMITED
大悦城地產有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 207)

Executive Directors:
YAO Changlin *(Chairman)*

Non-executive Directors:
CHEN Lang
ZHANG Hongfei
DONG Baoyun
ZHANG Mingrui
WU Lipeng

Independent Non-executive Directors:
LAU Hon Chuen, Ambrose, *GBS, JP*
LAM Kin Ming, Lawrence
CHAN Fan Shing

Registered Office:
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2 Church Street
Hamilton HM 11
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262 Gloucester Road
Causeway Bay, Hong Kong

24 October 2025

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED SHARE BUY-BACK OF JOY CITY PROPERTY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF THE COMPANIES ACT AND (2) PROPOSED WITHDRAWAL OF LISTING OF JOY CITY PROPERTY LIMITED

INTRODUCTION

On 31 July 2025, the Board resolved to put forward the Proposal to the Scheme Shareholders for the proposed share buy-back of the Company by way of a scheme of arrangement under Section 99 of the Companies Act. The Scheme will involve the cancellation of the Scheme Shares and, in consideration, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled and the withdrawal of listing of the Shares on the Stock Exchange.

No offer will be made by the Company for the outstanding Convertible Preference Shares under Rule 14 of the Takeovers Code, as all of the issued Convertible Preference Shares will be subject to the Controlling Shareholders Rollover Arrangement.

If the Proposal is approved and implemented, under the Scheme, all of the Scheme Shares will be cancelled on the Effective Date.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the Scheme, and to give you notice of the Court Meeting, together with the form of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document; (ii) the Explanatory Memorandum set out in Part VI of this Scheme Document; and (iii) the terms of the Scheme set out in Appendix V of this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for the Cancellation Price of HK$0.62 in cash for each Scheme Share.

Your attention is drawn to the section headed "2. Terms of the Proposal – The Scheme" in Part VI – Explanatory Memorandum of this Scheme Document.

As at the Latest Practicable Date, the Company has no declared but unpaid dividends and/or distribution and/or other return capital and the Company does not intend to announce, declare and/or pay any dividend, distribution or other return of capital before the Effective Date or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be). If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Company shall reduce the Cancellation Price by all of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

The Company will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Cancellation Price.

The Shares in which the Controlling Shareholders are interested will not form part of the Scheme Shares and will not be cancelled. Upon the Scheme becoming effective, the Company will be owned as to approximately 96.13% and 3.87% by Grandjoy Holdings Group and Achieve Bloom, respectively, and the listing of the Shares will be withdrawn from the Stock Exchange. As a result, the Company does not intend to continue to meet the public float requirement under Rule 8.08 of the Listing Rules.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Company may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Comparison of Value

Your attention is drawn to the section headed "2. Terms of the Proposal – Comparison of Value" in Part VI – Explanatory Memorandum of this Scheme Document.

Highest and Lowest Prices

Your attention is drawn to the section headed "2. Terms of the Proposal – Highest and Lowest Prices" in Part VI – Explanatory Memorandum of this Scheme Document.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the fulfilment or waiver (as applicable) of the Conditions set out in the section headed "3. Conditions of the Proposal" in Part VI – Explanatory Memorandum of this Scheme Document.

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Company and all Scheme Shareholders regardless of how (or whether) they voted at the Court Meeting.

WARNINGS: Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not be effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

FINANCIAL RESOURCES

The Company has appointed CITICS HK as its exclusive financial adviser in connection with the Proposal.

Your attention is drawn to the section headed "2. Terms of the Proposal – Financial Resources" in Part VI – Explanatory Memorandum of this Scheme Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed "5. Shareholding Structure of the Company" in Part VI – Explanatory Memorandum of this Scheme Document.

INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors will be considered as independent in respect of the Proposal, it is not possible for the Company to form an independent board committee to advise and make recommendations to the Disinterested Shareholders as to (a) whether the terms of the Proposal and the Scheme and the Controlling Shareholders Rollover Arrangement are, or are not, fair and reasonable; and (b) whether to vote in favor of the Scheme at the Court Meeting.

Accordingly, under Rule 2.8 of the Takeovers Code, the Board has appointed Somerley as the Independent Financial Adviser to advise the Disinterested Shareholders on the Proposal and the Scheme.

The Independent Financial Adviser has advised the Disinterested Shareholders that it considers that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part V of this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed "7. Reasons for and Benefits of the Proposal" in Part VI – Explanatory Memorandum of this Scheme Document.

INTENTION OF THE COMPANY WITH REGARD TO THE GROUP

It is the Company's intention that, subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled and the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Thursday, 27 November 2025. Completion of the Proposal will not result in a change of control of the Company within the meaning of the Takeovers Code.

Other than as disclosed above, as at the Latest Practicable Date, it is the intention of the Company for the Group to continue to carry on its existing business and the Company does not have any plan to make any material changes to (a) the existing business and operation of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business of the Group).

As the Proposal involves a proposed share-buy-back of the Company by way of a scheme of arrangement under section 99 of the Companies Act, the Company has no intention to rely on sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) or any comparable company law in Bermuda in relation to right of compulsory acquisition of Shares held by minority Shareholders.

INFORMATION ON THE COMPANY

Your attention is drawn to the section headed "9. Information on the Company" in Part VI – Explanatory Memorandum of this Scheme Document.

INFORMATION ON THE CONTROLLING SHAREHOLDERS

Grandjoy Holdings Group is a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000031.SZ). As of the Latest Practicable Date, Grandjoy Holdings Group is held as to 49.28% by Vibrant Oak and 20% by COFCO Corporation. Vibrant Oak is an indirect wholly-owned subsidiary of COFCO Corporation.

Achieve Bloom is an investment holding company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of COFCO Corporation.

COFCO Corporation is a state-owned enterprise incorporated in the PRC under the purview of the SASAC. COFCO Corporation is the holding company of Grandjoy Holdings Group and Achieve Bloom and thus an indirect controlling shareholder of the Company.

FINANCIAL EFFECTS OF THE PROPOSAL

Your attention is drawn to the section headed "10. Financial Effects of the Proposal" in Part VI – Explanatory Memorandum of this Scheme Document.

The unaudited pro forma financial information of the Group upon completion of the Proposal, illustrating the financial impact of the Proposal on the Group's earnings per Share, net assets per Share, liabilities and working capital (expressed as net current assets) is set out in APPENDIX II to this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed "Actions to be taken" set out in Part II of this Scheme Document.

THE COURT MEETING

In accordance with the directions of the Court, the Court Meeting will be held at Concord Room I, 8/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Monday, 17 November 2025 at 11:00 a.m. (Hong Kong time).

For the purpose of exercising your right to vote at the Court Meeting, you are requested to read carefully the section headed "13. Court Meeting" in Part VI – Explanatory Memorandum of this Scheme Document, Part II – Actions to be Taken of this Scheme Document, the notice of Court Meeting in Appendix VI of this Scheme Document.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Thursday, 27 November 2025 subject to the Scheme becoming effective.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Company, and:

(a) no Scheme Shares will be cancelled, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;

(b) the listing of the Shares on the Stock Exchange will not be withdrawn; and

(c) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Company nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed "16. Registration and Payment" in Part VI – Explanatory Memorandum of this Scheme Document.

OVERSEAS SHAREHOLDERS

Your attention is drawn to the section headed "17. Overseas Shareholders" in Part VI – Explanatory Memorandum of this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed "18. Taxation Advice" in Part VI – Explanatory Memorandum of this Scheme Document.

GENERAL

The Directors believe that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned.

Shares and Convertible Preference Shares held by the Controlling Shareholders will not form part of the Scheme Shares and will not be cancelled under the Proposal. Shares held by the relevant Directors (namely YAO Changlin, LAM Kin Ming, Lawrence and CHAN Fan Shing) will form part of the Scheme Shares but they will not vote on the Scheme at the Court Meeting. Each of YAO Changlin, LAM Kin Ming Lawrence and CHAN Fan Shing as a Company Concert Party who/which is also a Scheme Shareholder has undertaken to the Court to be bound by the terms of the Scheme and to abstain from voting in the Court Meeting.

Save for the relevant Company Concert Parties who/which are Scheme Shareholders, all Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, provided that only the votes of the Disinterested Shareholders will be taken into account in determining whether Condition (b) under the section headed "3. Conditions of the Proposal" in the Explanatory Memorandum and Rule 2.10 of the Takeovers Code are satisfied.

RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in Part V of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal and the Scheme.

FURTHER INFORMATION

You are urged to read carefully:

(a) the letter from the Independent Financial Adviser set out in Part V of this Scheme Document;

(b) the Explanatory Memorandum set out in Part VI of this Scheme Document;

(c) the appendices of this Scheme Document, including the Scheme set out in Appendix V of this Scheme Document;

(d) the notice of Court Meeting set out in Appendix VI of this Scheme Document; and

(e) the **PINK** form of proxy in respect of the Court Meeting as enclosed with this Scheme Document.

By Order of the Board
Joy City Property Limited

YAO Changlin
Chairman