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花 樣 年

FANTASIA

**Fantasia Holdings Group Co., Limited**

**花樣年控股集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01777)**

**ISSUANCE OF USD250 MILLION  
10.75% SENIOR NOTES DUE 2020**

Reference is made to the announcement of the Company dated January 15, 2013 in respect of the Notes Issue.

On January 15, 2013, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with BofA Merrill Lynch and Citi in connection with the issue of USD250 million 10.75% senior notes due 2020.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately USD244 million and the Company intends to use the net proceeds to refinance its existing indebtedness, to finance its existing and new property development projects (including land premium and construction costs), and for other general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. SGX-ST assumes no responsibility for the contents of this announcement.

Reference is made to the announcement of the Company dated January 15, 2013 in respect of the Notes Issue. The Board is pleased to announce that on January 15, 2013, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with BofA Merrill Lynch and Citi in connection with the Notes Issue in the aggregate principal amount of USD250 million.

## **THE PURCHASE AGREEMENT**

Date: January 15, 2013

### **Parties to the Purchase Agreement**

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) BofA Merrill Lynch; and
- (d) Citi.

BofA Merrill Lynch and Citi are the joint lead managers and the joint bookrunners in respect of the offer and sale of the Notes. BofA Merrill Lynch and Citi are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of BofA Merrill Lynch and Citi is an independent third party and not a connected person of the Company.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered to non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States in offshore transactions in reliance on Regulation S. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected person of the Company.

### **Principal terms of the Notes**

#### *Notes Offered*

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of USD250 million which will mature on January 22, 2020, unless earlier redeemed pursuant to the terms thereof.

### *Offering Price*

The offering price of the Notes will be 100% of the principal amount of the Notes.

### *Interest*

The Notes will bear interest from and including January 22, 2013 at the rate of 10.75% per annum, payable semi-annually in arrears. Interest will be paid on January 22 and July 22 of each year, commencing on July 22, 2013.

### *Ranking of the Notes*

The Notes are general obligations of the Company and will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least *pari passu* in right of payment with the 2010 Notes, the 2012 Notes and with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (4) effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefore; and (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

### *Events of default*

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien on the collaterals in accordance with the covenants described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the Notes (other than the default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the Notes; (e) occurrence with respect to any indebtedness of the Company or certain of its subsidiaries having in the aggregate, an outstanding principal amount of USD5.0 million; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged; (g) involuntary bankruptcy or insolvency proceedings are commenced against the Company or certain of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings are commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or

JV Subsidiary Guarantee is determined to be unenforceable or invalid or for any reason cease to be in full force and effect; (j) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents provided under the Notes or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral created under the Notes or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under the security documents provided under the Notes or, other than in accordance with the Indenture and the relevant security documents provided under the Notes, any such relevant security document ceasing to be or is not in full force and effect, or the Trustee ceases to have a security interest in the collateral given under the Notes (subject to any permitted liens).

If an event of default (other than an event of default specified in (g) or (h) above) occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs with respect to the Company or certain of its subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

#### *Covenants*

The Notes, the Indenture governing the Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with its shareholders or affiliates; and
- (k) effect a consolidation or merger.

### *Optional Redemption*

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after January 22, 2017, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on January 22 of the years indicated below.

<b>Period</b>	<b>Redemption Price</b>
2017	105.3750%
2018	102.6875%
2019 and thereafter	100.0000%

- (2) At any time prior to January 22, 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of principal amount of the Notes, plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to January 22, 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 110.7500% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

### **Information of the Company and Reasons for the Notes Issue**

The Group is a leading property developer and property related service provider in China. For four consecutive years from 2009 to 2012, members of the Group ranked among the China Top 100 Real Estate Developers (中國房地產百強企業) and the China Top 100 Property Management Companies (中國物業服務百強企業) by the China Real Estate Top 10 Research Team (中國房地產Top 10研究組). The Group was also ranked among the China Real Estate Top 100 Listed Companies (中國房地產上市公司百強) in 2011 and the Top 50 China Real Estate Listed Companies in terms of Comprehensive Strength (中國房地產上市公司綜合實力五十強) in 2011 and 2012 by the China Real Estate Research Institute, China Real Estate Association and China Real Estate Assessment Center. The Group first commenced its property development business in Shenzhen in 1996. Leveraging on the Group's broad experience and capabilities, the Group has successfully expanded into, and currently focuses its real estate activities in, four of the fastest-growing economic regions in China, including the Chengdu-Chongqing Economic Zone, the Pearl River Delta region, the Yangtze River Delta region and the Beijing-Tianjin metropolitan region.

The Group plans to continue to concentrate on these regions and intends to procure more low-cost land in each of these regions by adhering to the disciplined approach of the Group.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately USD244 million and the Company intends to use the net proceeds to refinance its existing indebtedness, to finance its existing and new property development projects (including land premium and construction costs), and for other general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

### **Listing**

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. SGX-ST assumes no responsibility for the contents of this announcement.

No listing of the Notes has been sought in Hong Kong.

### **Rating**

The Notes are expected to be rated B+ by Standard & Poor's Ratings Services and B2 by Moody's Investors Service, Inc..

### **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2010 Notes”	USD120 million principal amount of the 14% senior notes due 2015 of the Company
“2012 Notes”	USD250 million principal amount of the 13.75% senior notes due 2017 of the Company
“Board”	the board of Directors
“BofA Merrill Lynch”	Merrill Lynch International, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“China” or “PRC”	the People's Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this announcement
“Citi”	Citigroup Global Markets Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes

“Company”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement between the Company, as the issuer of the Notes, the Subsidiary Guarantors and the noteholders that specified the terms of the Notes including the interest rate of the Notes and the maturity date
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantors”	Subsidiary Guarantors that in the future provide JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the 10.75% guaranteed senior notes due 2020 in the principal amount of USD250 million to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Purchase Agreement”	the purchase agreement dated January 15, 2013 entered into between, among others, the Company, BofA Merrill Lynch and Citi in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes



“Subsidiary Guarantor Pledgors”	certain Subsidiary Guarantors which pledge collaterals to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor under its Subsidiary Guarantee
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“Trustee”	Citicorp International Limited
“United States”	the United States of America
“USD”	United States dollars
“%”	per cent

By order of the Board  
**Fantasia Holdings Group Co., Limited**  
**Pan Jun**  
*Chairman*

Hong Kong, January 16, 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Pan Jun, Ms. Zeng Jie, Baby and Mr. Lam Kam Tong; the independent non-executive directors of the Company are Mr. Ho Man, Mr. Liao Martin Cheung Kong, JP, Mr. Huang Ming and Mr. Xu Quan.*