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花 樣 年 控 股 集 團 有 限 公 司

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 US\$300 MILLION  
10.625% SENIOR NOTES DUE 2019**

Reference is made to the announcement of the Company dated 16 January 2014 in respect of the Notes Issue.

On 16 January 2014, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Citi, BofA Merrill Lynch, BNP Paribas and HSBC in connection with the issue of US\$300 million 10.625% senior notes due 2019.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$294.5 million and the Company intends to use the net proceeds to refinance certain of 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 Official List of the SGX-ST. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries or associated companies (if any). SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Notes has been sought in Hong Kong.

## **THE PURCHASE AGREEMENT**

Date: 16 January 2014

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

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

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

The Notes and the Subsidiary Guarantees 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 outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. 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 persons 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 US\$300 million which will mature on 23 January 2019, 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 23 January 2014 at the rate of 10.625% per annum, payable semi-annually in arrears. Interest will be paid on the business day on or nearest to 23 July and 23 January of each year, commencing on 23 July 2014.

### *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 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 therefor (other than the collateral securing the Notes); 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 23 January 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 23 January of the years indicated below:

Period	Redemption Price
2017	105.31250%
2018 and thereafter	102.65625%

- (2) At any time prior to 23 January 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus a 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 23 January 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 110.625% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

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**

We are leading property developer and property related service provider in the PRC. For five consecutive years from 2009 to 2013, we have members of our 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). We were 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. We first commenced our property development business in Shenzhen in 1996. Leveraging on our broad experience and capabilities, we have successfully expanded into, and currently focus our 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 estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$294.5 million and the Company intends to use the net proceeds to refinance certain of 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 Official List of the SGX-ST. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries or associated companies (if any). 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 have been 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:

“BNP Paribas”	BNP Paribas, Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“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 of the People's Republic of China 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”, “we”, “our” and “us”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Indenture”	the indenture to be entered into on the original issue date of the Notes between the Company, as the issuer of the Notes, the Subsidiary Guarantors as guarantors and Citicorp International Limited as trustee governing the Notes
“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 USD denominated senior notes due 2019 in the aggregate principal amount of US\$300 million to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Notes Issue”	the issue of the Notes by the Company
“Purchase Agreement”	the purchase agreement dated 16 January 2014 entered into between, among others, the Company, Citi, BofA Merrill Lynch, BNP Paribas and HSBC and the Subsidiary Guarantors 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 Pledgor”	any Subsidiary Guarantor which on the original issue date of the Notes will pledge collateral to secure the obligations 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” or “US\$”	United States dollars
“%”	per cent

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

Hong Kong, 17 January 2014

*As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Lam Kam Tong, Mr. Zhou Jinquan and Mr. Wang Liang; the non-executive Directors are Mr. Li Dong Sheng and Mr. Yuan Hao Dong and the independent non-executive Directors are Mr. Ho Man, Mr. Liao Martin Cheung Kong, JP, Mr. Huang Ming and Mr. Xu Quan.*