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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)

**PROPOSED QUOTATION OF
SHENZHEN HOME E&E COMMERCIAL SERVICES GROUP CO. LTD.
(深圳市美易家商務服務集團有限公司)
ON NATIONAL EQUITIES EXCHANGE AND QUOTATIONS SYSTEM**

PROPOSED QUOTATION

The shares of Home E&E, the Company's indirect subsidiary, are proposed to be quoted on the NEEQ. The Proposed Quotation will, among others, enable the Company to realise its investment in Home E&E, provide a separate fund-raising platform for Home E&E and enable Home E&E to enhance its corporate profile.

As at the date of this announcement, no application has been made to NEEQ Co. Ltd. for the Proposed Quotation. An application is expected to be made to NEEQ Co. Ltd. for the Proposed Quotation in or around September 2015 (or such later date as the Company deems appropriate). The Proposed Quotation is subject to approval being granted by NEEQ Co. Ltd. and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Proposed Quotation on National Equities Exchange and Quotations System

The Company is pleased to announce that the shares of Home E&E, the Company's indirect subsidiary, are proposed to be quoted on the NEEQ. An application is expected to be made to NEEQ Co. Ltd., the operator of the NEEQ, for the Proposed Quotation in or around September 2015 (or such later date as the Company deems appropriate) and the Proposed Quotation is subject to such approval being granted.

The NEEQ is commonly known as the New Third Board (新三板) of the PRC, and is a unified national system that typically provides a trading platform for off market transfer of non-listed public shares by subscribing members of the NEEQ. It was established on 20 September 2012.

Businesses of the Home E&E Group and benefits of the Proposed Quotation

Home E&E was established in the PRC on 27 October 2010 and as at the date of this announcement, Home E&E is an indirect subsidiary of the Company. The Home E&E Group is primarily engaged in the provision of property management, asset operation and management and the relevant value added services for commercial properties. The Proposed Quotation will, among others, enable the Company to realise its investment in Home E&E, provide a separate fund-raising platform for Home E&E and enable Home E&E to enhance its corporate profile.

Transfer of equity interest to Management Team

To provide incentive and reward to certain directors and senior management of the Home E&E Group (the “**Management Team**”) for their contributions to, and continuing efforts to promote the interests of, the Home E&E Group and its business, 30% of the total equity interest in Home E&E was transferred to the Management Team. Certain restrictions are imposed on the interests held by the Management Team, such as their right to dividend and transfer such interest, and they are subject to pre-determined performance targets as agreed between the Home E&E Group and the relevant member of the Management Team. The consideration for such interests was determined with reference to the net asset value of Home E&E as at 30 June 2015 together with a discount to reflect the restrictions imposed on the interests held by the Management Team. The Company is of the view that such incentives and rewards will positively motivate the Management Team and help retain senior and experienced staff. The incentives and rewards will also help promote a sense of belonging for the Management Team to the Home E&E Group. An expense of approximately RMB8 million will be charged to the Company’s income statement for the year ending 31 December 2015 for the transfer of equity interest in Home E&E to the Management Team.

Offer of equity interest to strategic investors

To allow the Company to realise part of its investment in Home E&E and to allow the Home E&E Group to establish its own identity separate from the Company with its own shareholding structure, Home E&E will offer up to 15% of its total equity interest to certain strategic investors. It is expected that the consideration for such offer will be determined with reference to the net asset value of Home E&E as at 30 June 2015, the estimated financial performance of Home E&E for the year ending 31 December 2015 and the expected price-earning ratio of Home E&E based on such estimated figure. The introduction of strategic investors will enable the Home E&E Group to enhance its reputation and competitiveness in the market as their investments in Home E&E demonstrate their confidence in the operation of the Home E&E Group and serve as endorsements of the Home E&E Group’s performance, strength and prospects.

Listing Rules Implications of the Proposed Quotation

Upon completion of the Proposed Quotation, it is expected that Home E&E will be owned as to 30% by the Management Team, not more than 15% by certain strategic investors and not less than 55% will remain indirectly owned by the Company. The Proposed Quotation will constitute a deemed disposal by the Company under the Listing Rules.

It is expected that the percentage ratios of the Proposed Quotation will not exceed 5% based on the audited accounts of the Company as at 31 December 2014, and the market capitalisation of the Company as at the date of this announcement. Assuming that the percentage ratios of the Proposed Quotation remain to be less than 5% at the time of the completion of the Proposed Quotation, the Proposed Quotation will not constitute a discloseable transaction for the Company under the Listing Rules. In the event that the percentage ratios for the Proposed Quotation exceeds 5%, the Company will take all necessary steps to comply with Chapter 14 of the Listing Rules.

The Stock Exchange has on 21 August 2015 confirmed under Practice Note 15 of the Listing Rules that the Company may proceed with the Proposed Quotation.

Waiver from strict compliance with paragraph 3(f) of Practice Note 15 of the Listing Rules

Paragraph 3(f) of Practice Note 15 of the Listing Rules requires listed issuers carrying out spin-offs to provide existing shareholders with an assured entitlement to shares in the spun-off entity, either by way of distribution in specie of existing shares or by way of preferred application in any offering of existing or new shares in the spun-off entity.

However, according to the advice of the PRC legal counsel of Home E&E, foreign natural persons, legal persons or institutions cannot invest in shares quoted on the NEEQ unless they are (i) qualified foreign institutional investors; (ii) Renminbi qualified foreign institutional investors; (iii) strategic investors that are approved by the relevant authority in the PRC; or (iv) foreign natural persons who are permanent residents in the PRC or residents of Hong Kong, Macao or Taiwan who work and live in the PRC, and have more than RMB5 million worth of securities assets and more than two years of experience in securities investment. Compliance with paragraph 3(f) of Practice Note 15 of the Listing Rules in relation to the Proposed Quotation will not therefore be feasible. The Company has therefore applied to the Stock Exchange for, and the Listing Committee of the Stock Exchange has granted the Company, a waiver from strict compliance with paragraph 3(f) of Practice Note 15 of the Listing Rules.

Having considered that Home E&E and the Company should comply with the requirements under PRC law and Home E&E will remain a subsidiary of the Company and the results of which will continue to be consolidated into the accounts of the Company upon completion of the Proposed Quotation, the Board is of the view that the Proposed Quotation and the non-provision of assured entitlements in connection with the Proposed Quotation are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Proposed Quotation is subject to the approval of NEEQ Co. Ltd.

As at the date of this announcement, no application has been made to NEEQ Co. Ltd. for the Proposed Quotation. An application is expected to be made to NEEQ Co. Ltd. for the Proposed Quotation in or around September 2015 (or such later date as the Company deems appropriate). The Proposed Quotation is subject to approval being granted by NEEQ Co. Ltd. and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“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
“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
“Directors”	the directors of the Company
“Home E&E”	深圳市美易家商務服務集團有限公司 (Shenzhen Home E&E Commercial Services Group Co., Ltd.*), an indirect subsidiary of the Company incorporated in the PRC
“Home E&E Group”	Home E&E and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEEQ”	全國中小企業股份轉讓系統 (National Equities Exchange and Quotations System*)
“NEEQ Co. Ltd.”	全國中小企業股份轉讓系統有限責任公司 (National Equities Exchange and Quotations Co. Ltd.*)
“Proposed Quotation”	the proposed quotation of the shares of Home E&E on the NEEQ
“Shareholder(s)”	shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

* *For identification purposes only*

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

Hong Kong, 21 August 2015

As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Lam Kam Tong and Mr. Zhou Jinquan; 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. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu.