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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)**

**DISCLOSEABLE TRANSACTION  
PROPOSED ACQUISITION OF EQUITY INTERESTS IN  
SHENZHEN GAOHUA**

On 14 April 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Vendors pursuant to which (i) the First Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 50% of the equity interests in Shenzhen Gaohua; and (ii) the Second Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 50% of the equity interests in Shenzhen Gaohua, for a total consideration of RMB936,000,000 (equivalent to approximately HK\$1,064,241,000), subject to adjustment. On the same date, the Guarantors entered into the Guarantee Agreement in favour of the Purchaser pursuant to which the Guarantors have jointly and severally undertaken to the Purchaser to guarantee, among others, the performance of the Vendors' obligations under the Framework Agreement for a term of two years commencing from the date of the Guarantee Agreement.

Shenzhen Gaohua is principally engaged in the investment and trading business in the PRC and as at the date of this announcement, Shenzhen Gaohua is in the course of acquiring the entire equity interests in each of the Guilin Companies which own the land use rights of the Guilin Land. Subject to the fulfillment of the Conditions Precedent, the Vendors and the Purchaser shall enter into further agreements in relation to the transfer of the entire equity interests of Shenzhen Gaohua.

As each percentage ratio in respect of the Proposed Acquisition is above 5% but below 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **THE FRAMEWORK AGREEMENT**

### **Date**

14 April 2010

### **Parties**

- (1) the Purchaser
- (2) the First Vendor
- (3) the Second Vendor

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

Pursuant to the Framework Agreement, (i) the First Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 50% of the equity interests in Shenzhen Gaohua; and (ii) the Second Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 50% of the equity interests in Shenzhen Gaohua.

Upon completion of the Proposed Acquisition, the Purchaser will hold the entire equity interests in Shenzhen Gaohua, which, in turn, will hold the entire equity interests in each of the Guilin Companies.

As at the date of this announcement, Guilin Juhao and Guilin Wanhao own the land use rights of Guilin Land A, located at Guilin City, Lingui County, Lingui Town, Yangtang Industrial Zone with a land area of approximately 513,961.9 square metres for commercial and residential use.

As at the date of this announcement, Guilin Dihao owns the land use rights of Guilin Land B, located at Guilin City, Lingui County, Lingui Town, Yangtang Industrial Zone with a land area of approximately 200,000 square metres for commercial and residential use.

As at the date of this announcement, Guilin Zhongding owns the land use rights of Guilin Land C, located at Guilin City, Canluan Road, National Hi-Tech District No. 4, Science and Technology Industrial Park, with a land area of approximately 2,783 square metres for integrated use.

### **Consideration**

The total consideration for the Proposed Acquisition amounts to RMB936,000,000 (equivalent to approximately HK\$1,064,241,000).

The Consideration was determined after arm's length negotiation between the parties with reference to the estimated market value of Guilin Land and any payables owed by Shenzhen Gaohua and the Guilin Companies to any other parties.

The Consideration shall be paid to the Vendors as follows:

- (1) upon signing the Framework Agreement, the Purchaser shall pay a deposit of RMB200,000,000 (equivalent to approximately HK\$227,402,000) (the "**Deposit**");
- (2) within ten days after the Purchaser being satisfied with the due diligence review (the "**Due Diligence Review**") and has not identified any material risk or defect in title of Shenzhen Gaohua, the Guilin Companies and the Guilin Land, the Purchaser shall pay RMB200,000,000 (equivalent to approximately HK\$227,402,000);
- (3) within five days upon signing all relevant documents and notarization of the agreement in relation to the transfer of the equity interests in Shenzhen Gaohua from the Vendors to the Purchaser (by such time Shenzhen Gaohua shall wholly own the entire equity interests in the Guilin Companies and the Guilin Land), the Purchaser shall pay RMB200,000,000 (equivalent to approximately HK\$227,402,000);
- (4) upon submission of the documents by the Purchaser and the Vendors with the relevant governmental authority in the PRC seeking for approval to transfer the entire equity interests of Shenzhen Gaohua from the Vendors to the Purchaser and the receipt of the acknowledgement issued by the relevant governmental authority in the PRC in relation to the submission, the Purchaser shall pay RMB100,000,000 (equivalent to approximately HK\$113,701,000); and
- (5) within thirty days upon the completion of the transfer of the entire equity interests of Shenzhen Gaohua from the Vendors to the Purchaser, the registration of the Purchaser as the sole beneficial owner of Shenzhen Gaohua with the relevant governmental authority in the PRC and the receipt of the new business license reflecting the same, the Purchaser shall pay the remaining RMB236,000,000 (equivalent to approximately HK\$268,334,000).

The Purchaser will be subject to a late payment penalty if it fails to pay the Consideration instalment according to the above scheduled payment dates.

The Consideration is subject to a downward adjustment if the land area of the Guilin Land is less than that as indicated in the Framework Agreement. The Purchaser has paid the Deposit upon signing of the Framework Agreement. Within three months upon receipt of the Deposit, the Vendors shall not negotiate, enter into a transaction or an agreement in relation to the transfer of Shenzhen Gaohua, the Guilin Companies or the Guilin Land or otherwise the Vendors shall be deemed to be in breach of the Framework Agreement who shall refund the Deposit to the Purchaser and shall pay the Purchaser an additional amount equivalent to the Deposit.

The Board of Directors is of the opinion that the Consideration is fair and reasonable and was determined after arm's length negotiation between the parties.

## **Guarantee**

On 14 April 2010, the Guarantors have entered into the Guarantee Agreement in favour of the Purchaser pursuant to which the Guarantors have jointly and severally undertaken to the Purchaser to guarantee, among others, the performance of the Vendors' obligations under the Framework Agreement for a term of two years commencing from the date of the Guarantee Agreement.

## **Conditions Precedent**

The completion of the Proposed Acquisition is conditional and shall take place upon the fulfillment of a number of the Conditions Precedent, including but not limited to:

- (a) the Purchaser being satisfied of the Due Diligence Review and has not identified any material risk or defect in title of Shenzhen Gaohua, the Guilin Companies and the Guilin Land;
- (b) completion of the necessary procedures in relation to the acquisition of the entire equity interests in each of the Guilin Companies and the underlying land use rights of the Guilin Land by Shenzhen Gaohua;
- (c) the Purchaser passing the necessary directors' and shareholders' resolutions approving the Proposed Acquisition;
- (d) Shenzhen Gaohua having obtained its shareholders' approval approving the Proposed Acquisition; and
- (e) the Purchaser having obtained the relevant approvals and authorizations in respect of the Proposed Acquisition in accordance with the applicable laws.

As at the date of this announcement, conditions precedent (c) and (d) have been fulfilled.

## **Termination**

The Purchaser is entitled to terminate the Framework Agreement if the Vendors failed to acquire the entire equity interests of the Guilin Companies and/or failed to obtain the land use rights of the Guilin Land. Upon such termination, the Vendors shall refund the Deposit to the Purchaser and shall pay the Purchaser an additional amount equivalent to the Deposit.

The Vendors are entitled to terminate the Framework Agreement if the Purchaser failed to pay the Consideration installments after 10 days of the respective scheduled payment dates. Upon such termination, the Purchaser shall pay the remaining balance of the Consideration and an additional amount equivalent to such balance to the Vendors.

## **REASONS FOR THE PROPOSED ACQUISITION**

The Company is principally engaged in property development in the PRC and the Proposed Acquisition is considered by the Company to be in line with its ordinary and usual course of business. The Proposed Acquisition allows the Company to further participate in real estate development in Guilin City, the PRC which the Directors consider to have continued growth potential in the future.

The Board of Directors is of the opinion that the Framework Agreement and the transactions contemplated thereunder are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT SHENZHEN GAOHUA AND THE GUILIN COMPANIES**

Shenzhen Gaohua is a limited liability company established in the PRC on 12 March 2010 with a registered capital of RMB10,000,000 (equivalent to approximately HK\$11,370,000). Shenzhen Gaohua is principally engaged in the investment and trading business in the PRC. As at the date of this announcement, Shenzhen Gaohua is in the course of acquiring the entire equity interests in each of the Guilin Companies which own the land use rights of the Guilin Land. Since the Purchaser is only expected to commence the Due Diligence Review after signing the Framework Agreement, the Purchaser has not yet possessed the detail financial information of Shenzhen Gaohua and each of the Guilin Companies as at the date of this announcement.

Subject to the fulfilment of the Conditions Precedent, the Vendors and the Purchaser shall enter into further agreements in relation to the transfer of the entire equity interests of Shenzhen Gaohua.

## **GENERAL**

As each percentage ratio in respect of the Proposed Acquisition is above 5% but below 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Conditions Precedent”	the conditions precedent to the completion of the Proposed Acquisition as provided in the paragraph headed “Conditions Precedent” of this announcement
“Consideration”	the sum of RMB936,000,000 (equivalent to approximately HK\$1,064,241,000) payable by the Purchaser to the Vendors for the Proposed Acquisition under the Framework Agreement, subject to adjustment

“Directors”	directors of the Company
“Fantasia Group (China)”	Fantasia Group (China) Co., Ltd. (花樣年集團(中國)有限公司), a wholly-owned subsidiary of the Company and a limited liability company established under the laws of the PRC on January 20, 2006 and formerly known as Shenzhen Fantasia Technology Co., Ltd. (深圳市花樣年科技有限公司) and Shenzhen Fantasia Group Co., Ltd. (深圳市花樣年集團有限公司), respectively
“First Vendor”	Shenzhen Zhongding
“Framework Agreement”	the equity transfer framework agreement entered into among the Purchaser and the Vendors on 14 April 2010 in respect of the Proposed Acquisition
“Guarantee Agreement”	the guarantee agreement entered into among the Guarantors in favour of the Purchaser pursuant to which the Guarantors have jointly and severally undertaken to the Purchaser to guarantee among others, the performance of the Vendors’ obligations under the Framework Agreement for a term of two years commencing from the date of such guarantee agreement
“Guarantors”	Mr. Liang Senguang, Ms. Liang Jinghua, Mr. Liang Huabei, Mr. Zhang Zhiquan and Mr. Zhang Zhiming, the registered owners and/or the persons exercising the control of the Vendors
“Guilin Companies”	Guilin Juhao, Guilin Wanhao, Guilin Dihao and Guilin Zhongding
“Guilin Dihao”	桂林帝豪房地產開發有限公司 (Guilin Dihao Property Development Limited*), a limited liability company which was established in the PRC and is an Independent Third Party
“Guilin Juhao”	桂林聚豪房地產開發有限公司 (Guilin Juhao Property Development Limited*), a limited liability company established in the PRC and is an Independent Third Party
“Guilin Land”	Guilin Land A, Guilin Land B and Guilin Land C
“Guilin Land A”	the parcel of land located at Guilin City, Lingui County, Lingui Town, Yangtang Industrial Zone (桂林市臨桂縣臨桂鎮秧塘工業區), land use right certificate numbers 臨國用(2008)第1746-1755號 with a land area of approximately 513,961.9 square metres, for commercial and residential use

\* For identification purposes only

“Guilin Land B”	the parcel of land located at Guilin City, Lingui County, Lingui Town, Yangtang Industrial Zone (桂林市臨桂縣臨桂鎮秧塘工業區), land use right certificate numbers 臨國用(2008)第2353–2357號 with a land area of approximately 200,000 square metres, for commercial and residential use
“Guilin Land C”	the parcel of land located at Guilin City, Canluan Road, National Hi-Tech District No. 4, Science and Technology Industrial Park (桂林市驂鸞路桂林國家高新區科技工業園4號社區), land use right certificate number 桂市國用(2007)第5083號 with a land area of approximately 2,783 square metres for integrated land use
“Guilin Wanhao”	桂林萬豪房地產開發有限公司 (Guilin Wanhao Property Development Limited*), a limited liability company established in the PRC and is an Independent Third Party
“Guilin Zhongding”	桂林眾鼎投資發展有限公司 (Guilin Zhongding Investment Development Limited*), a limited liability company which was established in the PRC and is an Independent Third Party
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and the People’s Republic of China)
“Proposed Acquisition”	the proposed acquisition of the entire equity interests in Shenzhen Gaohua by the Purchaser from the Vendors under the Framework Agreement
“Purchaser”	Fantasia Group (China)
“RMB”	Renminbi, the lawful currency of the PRC

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“Second Vendor”	Shenzhen Longgang
“Shareholders”	holders of the Shares
“Shares”	the ordinary share(s) of HK\$0.1 each of the Company
“Shenzhen Gaohua”	深圳市高華投資有限公司 (Shenzhen Gaohua Investment Limited*), a limited liability company which was established in the PRC and is owned as to 50% by the First Vendor and 50% by the Second Vendor as at the date of this announcement
“Shenzhen Longgang”	深圳市龍崗國能企業有限公司 (Shenzhen Longgang Enterprise Limited*), a limited liability company which was established in the PRC and is owned as to 65% by Mr. Zhang Zhiquan and 35% by Mr. Zhang Zhiming as at the date of this announcement
“Shenzhen Zhongding”	深圳市眾鼎投資發展有限公司 (Shenzhen Zhongding Investment Development Limited*), a limited liability company which was established in the PRC and is owned as to 10% by Ms. Liang Jinghua and 90% by Mr. Liang Senguang as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	the First Vendor and the Second Vendor
“%”	per cent.

*For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.8795.*

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

Hong Kong, 19 April 2010

*As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Mr. Feng Hui Ming, Mr. Chan Sze Hon, the independent non-executive Directors are Mr. Ho Man, Mr. Liao Martin Cheung Kong, JP, Mr. Huang Ming and Mr. Xu Quan.*

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