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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: 1777)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL AND SHAREHOLDER'S LOAN IN CHINA LAND PROPERTY HOLDINGS

The Board announces that on 29 November 2013, Fantasia Investment Holdings, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, pursuant to which Fantasia Investment Holdings has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and the Shareholder's Loan in China Land Property Holdings at the Consideration of RMB405,000,000 (equivalent to approximately HK\$510,300,000).

After Completion, the Group will no longer be interested in any shares of China Land Property Holdings and China Land Property Holdings will cease to be a subsidiary of the Company.

As one of the applicable percentage ratios in respect of the Disposal is above 5% but below 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the announcement requirement.

THE EQUITY TRANSFER AGREEMENT

Date

29 November 2013

Parties

- (1) Fantasia Investment Holdings
- (2) the Purchaser

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be disposed

Pursuant to the Equity Transfer Agreement, Fantasia Investment Holdings has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and the Shareholder's Loan in China Land Property Holdings.

As at the date of this announcement, China Land Property Holdings holds the real estate ownership rights of the Property with a total construction area of approximately 20,953.23 square meters. The terms of the Real Estate Ownership Certificates will expire on 21 July 2063. The Property is currently subject to a tenancy for a term until 31 August 2014. Upon Completion, the Purchaser shall hold the real estate ownership rights of the Property through China Land Property Holdings.

China Land Property Holdings is a limited liability company incorporated in Hong Kong on 15 September 1992 and is an investment holding company.

According to the audited accounts of China Land Property Holdings for the two financial years ended 31 March 2012 and 2013 prepared in accordance with generally accepted accounting principals in Hong Kong, the net profit (before and after taxation and extraordinary items) for each of the two financial years ended 31 March 2012 and 2013 and the net asset value of the China Land Property Holdings as at 31 March 2013 are as follows:

	Financial year ended	
	31 March	
	2012	2013
	<i>HK\$</i>	<i>HK\$</i>
	(Audited)	(Audited)
Net profit before taxation and extraordinary items	6,717,147	8,015,990
Net profit after taxation and extraordinary items	6,717,147	8,015,990

As at
31 March 2013
HK\$
(Audited)

Net asset value 107,981,843

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately RMB110,000,000 (equivalent to approximately HK\$138,600,000), which is calculated by reference to the Consideration and the aggregate amounts of the net assets of China Land Property Holdings and their fair value adjustments upon completion of the acquisition of China Land Property Holdings by the Group in May 2013. It is currently intended to apply the proceeds from the Disposal as general working capital of the Company.

Consideration

The Consideration is RMB405,000,000 (equivalent to approximately HK\$510,300,000) or its HK\$ or US\$ equivalent, which is the total consideration payable by the Purchaser for its acquisition of the entire issued share capital of China Land Property Holdings and the Shareholder's Loan.

The Consideration will be payable in cash by the Purchaser to Fantasia Investment Holdings in accordance with the following schedule:

- 50% of the Consideration, being RMB202,500,000 (equivalent to approximately HK\$255,150,000) or its HK\$ or US\$ equivalent, will be payable by the Purchaser to Fantasia Investment Holdings upon Completion; and
- the balance of the Consideration, being RMB202,500,000 (equivalent to approximately HK\$255,150,000) or its HK\$ or US\$ equivalent, will be payable by the Purchaser to Fantasia Investment Holdings on or before 31 August 2014.

The Board is of the view that the Consideration is fair and reasonable and the Consideration was determined after arm's length negotiation between the Parties with reference to the issued and paid-up capital and a share premium of China Land Property Holdings, the amount of the Shareholder's Loan, the prevailing market price of properties which are of similar nature of the Property.

Transitional Arrangements prior to Completion

During the Transitional Period, Fantasia Investment Holdings:

- (a) undertakes that there shall be no material adverse change on China Land Property Holdings, the Property and the entire issued share capital of China Land Property Holdings;
- (b) warrants that:
 - (i) China Land Property Holdings shall continue with its normal business operation and there shall be no material adverse changes on China Land Property Holdings and no judgment, rulings or requests from any judicial or administrative authorities that will terminate or stop the transactions contemplated under the Equity Transfer Agreement;
 - (ii) unless with the prior consent from the Purchaser, China Land Property Holdings shall not directly or indirectly establish any subsidiaries, acquire any shareholdings or businesses, provide loans or prepayments or make any contributions or investments;
 - (iii) China Land Property Holdings shall not undertake or agree to undertake any actions that may cause or may reasonably cause the transactions contemplated under the Equity Transfer Agreement unable to complete or any representations or warranties under the Equity Transfer Agreement not to be accurate in any respect;
 - (iv) unless with the prior consent from the Purchaser, China Land Property Holdings shall not permit any of the material insurance policies to which it is the owner or a beneficiary to be revoked or terminated;
 - (v) Fantasia Investment Holdings shall procure China Land Property Holdings to take all appropriate measures to ensure that there shall be no material adverse changes on the Property and any major assets of China Land Property Holdings and their values; and
 - (vi) China Land Property Holdings shall not undertake any acts that may cause damage on its asset rights, image or brand.

For the avoidance of doubt, Fantasia Investment Holdings shall enjoy all profit and be responsible for all loss of China Land Property Holdings incurred during the Transitional Period. All debts that have occurred before the signing of the Equity Transfer Agreement but are not disclosed to the Purchaser in the Equity Transfer Agreement shall be responsible by Fantasia Investment Holdings. Fantasia Investment Holdings shall be entitled to all rental income of the Property prior to Completion whereas the Purchaser shall be entitled to all rental income of the Property upon and after Completion.

Completion

Completion shall take place on the Completion Date.

After Completion, the Group will no longer be interested in any shares of China Land Property Holdings and China Land Property Holdings will cease to be a subsidiary of the Company.

Breach and Termination

In the event that Fantasia Investment Holdings fails to perform certain of its obligations under the Equity Transfer Agreement, the Purchaser may (i) give notice to Fantasia Investment Holdings to terminate the Equity Transfer Agreement and Fantasia Investment Holdings shall return all payment made by the Purchaser under the Equity Transfer Agreement together with interest to the Purchaser within five business days after the Purchaser has given such notice to Fantasia Investment Holdings; or (ii) give notice to Fantasia Investment Holdings to continue to perform the obligations under the Equity Transfer Agreement and Fantasia Investment Holdings shall pay a compensation equivalent to 20% of the Consideration to the Purchaser within five business days after the Purchaser has given such notice to Fantasia Investment Holdings.

In the event that the Purchaser fails to pay the Consideration pursuant to the terms of the Equity Transfer Agreement (other than due to the default of Fantasia Investment Holdings), the Purchaser shall pay a daily default penalty equivalent to 0.01% of the outstanding amount of the Consideration payable by the Purchaser to Fantasia Investment Holdings. Fantasia Investment Holdings shall have the right to terminate the Equity Transfer Agreement if the default in payment of the Consideration exceeds 30 days after it became due and payable. If Fantasia Investment Holdings elects to terminate the Equity Transfer Agreement, the Purchaser shall pay a compensation equivalent to 20% of the Consideration to Fantasia Investment Holdings and Fantasia Investment Holdings shall deduct such compensation from the payment received from the Purchaser together with interest and return the balance to the Purchaser within five business days after the Purchaser was notified of such termination.

INFORMATION ON THE COMPANY AND REASONS FOR THE DISPOSAL

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 Board believes that the Disposal provides the Group with a good opportunity to realise its investment in China Land Property Holdings at prevailing market price which will enhance and strengthen the financial position and cash flow of the Group.

The Directors consider that the Equity Transfer 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 ON THE PURCHASER

To the best of the Directors' knowledge and belief, the Purchaser is a company incorporated in the British Virgin Islands and is an investment holding company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Disposal is above 5% but below 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the announcement requirement.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day other than a public holiday in Hong Kong or in the PRC on which banks are open for business in Hong Kong (other than a Saturday or Sunday)
“China Land Property Holdings”	China Land Property Holdings Limited, a company incorporated in Hong Kong with limited liability and is owned as to 100% by Fantasia Investment Holdings as at the date of this announcement
“Company”	Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司), a company incorporated in the Cayman Islands, the securities of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Equity Transfer Agreement
“Completion Date”	the date which is three Business Days after the signing of the Equity Transfer Agreement
“Consideration”	consideration of the Disposal
“Directors”	directors of the Company

“Disposal”	the disposal of the entire issued share capital and the Shareholder’s Loan of China Land Property Holdings Limited pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 29 November 2013 entered into between Fantasia Investment Holdings and the Purchaser in relation to the Disposal
“Fantasia Investment Holdings”	Fantasia Investment Holdings Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, 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
“Parties”	Fantasia Investment Holdings and the Purchaser and “Party” shall mean any one of them
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Property”	the property namely Financial Plaza (also known as Regalia Apartments), situated at Block C, No. 29 Xiangcheng Road, Pudong District, Shanghai, the PRC (中國上海浦東區向城路29號C棟)
“Purchaser”	Grand Wise Investments Limited (洪威投資有限公司), a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“Real Estate Ownership Certificates”	the three real estate ownership certificates (房地產權證) hold in the name of China Land Property Holdings granted by 上海市房屋土地管理局 (Shanghai Municipal Housing and Land Administration Bureau*) in respect of the Property (certificate numbers: 滬房地市字 (2001) No. 000640, 滬房地市字 (2001) No. 000745, 滬房地市字 (2001) No. 000754)
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder’s Loan”	RMB295,000 owed by China Land Property Holdings to Fantasia Investment Holdings as at the date of the Equity Transfer Agreement
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.10 each in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transitional Period”	the period starting from the date of the Equity Transfer Agreement to the Completion Date
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at RMB1.00 = HK\$1.26.

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

Hong Kong, 29 November 2013

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; and the independent non-executive Directors are Mr. Ho Man, Mr. Liao Martin Cheung Kong, JP, Mr. Huang Ming and Mr. Xu Quan

* *For identification purposes only*