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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

ACQUISITION OF SHENZHEN YONGLIHONGYING INVESTMENT CO., LTD.

The Board is pleased to announce that on 27 December 2013, Shenzhen Fantasia, a wholly-owned subsidiary of the Company and the Vendor, entered into the Transfer Agreement in relation to the transfer of equity interest and related indebtedness, pursuant to which the Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 81% equity interest and related indebtedness in the Target Company. Upon completion of the transaction, the Target Company will become a subsidiary of the Company.

The Target Company is principally engaged in property development and operation in the PRC and as the date of this announcement, it owns 90% of the land use right (土地使用權) of the Land.

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

THE TRANSFER AGREEMENT

Date

27 December 2013

Parties

- (1) The Vendor
- (2) Shenzhen Fantasia

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Assets to be acquired

Pursuant to the Transfer Agreement, the Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 81% equity interest in the Target Company and related indebtedness.

Upon completion of the transaction, Shenzhen Fantasia will hold 81% equity interest in the Target Company and related indebtedness and the Target Company will become a subsidiary of the Company.

Consideration

Under the Transfer Agreement, the consideration is RMB800,000,000 (equivalent to approximately HK\$1,016,000,000), and the amount of the related indebtedness will be determined upon confirmation by the auditor engaged by the Target Company. These will be paid as follows:

- (a) as to RMB200,000,000 (equivalent to approximately HK\$254,000,000) paid by Shenzhen Fantasia to the Vendor on 27 December 2013;
- (b) as to RMB250,000,000 (equivalent to approximately HK\$317,500,000) to be paid by Shenzhen Fantasia into an escrow account within five (5) business days after the date of the Transfer Agreement, which will be released to the Vendor within three (3) business days after the registration of the transfer of 81% equity interest in the Target Company to Shenzhen Fantasia at the local administration of Industry and Commerce Bureau has been completed provided that approximately RMB153,000,000 will be deducted for the bank loan advanced to the Target Company before the date of the Transfer Agreement; and
- (c) as to the balance of RMB350,000,000 (equivalent to approximately HK\$444,500,000) out of which RMB30,000,000 (equivalent to approximately HK\$38,100,000) will be deducted for the purchase price for the properties agreed to be acquired by the Vendor from the Target Company and the remainder (inclusive of the related indebtedness) of RMB320,000,000 (equivalent to approximately HK\$406,400,000) will be paid by Shenzhen Fantasia to the Vendor on 30 September 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 estimated market value of the Land.

The Consideration will be satisfied by internal resources of the Group.

INFORMATION ON THE COMPANY AND REASONS FOR THE ACQUISITION

The Group is a leading property developer and property related service provider in the PRC. 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 the PRC, 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 land in each of these regions by adhering to the disciplined approach of the Group.

As at the date of this announcement, the Target Company holds 90% of the land use right (土地使用權) of the Land with a total site area of approximately 40,000.18 square meters and a total construction area of approximately 38,139.32 square meters for the purposes of tourism and leisure. The remaining 10% of the land use right of the Land is held by a party independent of the Company.

The Board believes that the Acquisition will provide a good business opportunity in the real estate development in Shenzhen, the PRC, and the Acquisition will allow the Company to further enhance its position in the market in Shenzhen, the PRC.

The Directors consider that the 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 TARGET COMPANY

The Target Company is a limited liability company established in the PRC with a registered capital of RMB10,000,000 (equivalent to approximately HK\$12,700,000) and is principally engaged in property development and operation and domestic trade. As at the date of this announcement, the Target Company is owned as to 100% by the Vendor.

According to the audited financial statements for the two financial years ended 31 December 2012 of the Target Company prepared in accordance with generally accepted accounting principals in PRC, the net loss (before and after taxation and extraordinary items) for each of the two financial years ended 31 December 2012 and the net asset value as at 31 December 2012 of the Target Company are as follows:

	Financial year ended	
	31 December	
	2011	2012
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
Net loss before taxation and extraordinary items	(1,781,289)	(5,565,808)
Net loss after taxation and extraordinary items	<u>(1,781,289)</u>	<u>(5,565,808)</u>
		As at
		31 December
		2012
		<i>RMB</i>
		(audited)
Net asset value		<u>2,427,936</u>

INFORMATION ON THE VENDOR

To the best of the Directors' knowledge and belief, the Vendor is principally engaged in sale of electronic products and computer accessories, property development and operation and domestic trade.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Acquisition is above 5% but below 25%, the Acquisition 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:

“Accounts”	the audited financial statements of the Target Company made up as at 31 December 2012 and all notes, reports, statements and other documents annexed to those accounts
“Acquisition”	the acquisition of 81% equity interest in the Target Company and related indebtedness pursuant to the Transfer Agreement
“Board”	the board of Directors
“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
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	consideration of the Acquisition
“Directors”	directors 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 People’s Republic of China
“Land”	the parcel of land located in Dapeng Longqiwan, Shenzhen, PRC (中國深圳市大鵬龍岐灣) with a total site area of approximately 40,000.18 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares

“Shenzhen Fantasia”	深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Limited*), a wholly-owned subsidiary of the Company and a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	深圳市永利鴻盈投資有限公司 (Shenzhen Yonglihongying Investment Co., Ltd.*), a company incorporated in the PRC with limited liability
“Transfer Agreement”	the transfer agreement dated 27 December 2013 entered into between the Vendor and Shenzhen Fantasia in relation to the acquisition of 81% equity interest in the Target Company and related indebtedness
“Vendor”	深圳市冠地控股有限公司 (Shenzhen Guandi Holding Co., Ltd.*), a company incorporated in the PRC with limited liability
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at RMB1.00 = HK\$1.27.

* *For identification purpose only.*

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

Hong Kong, 29 December 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.