

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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: 01777)

**DISCLOSEABLE TRANSACTION
FORMATION OF LIMITED PARTNERSHIP
AND
DEEMED DISPOSAL OF A SUBSIDIARY**

THE PARTNERSHIP

The Board announces that Shenzhen Fantasia and Qianhai Jianian, each a wholly-owned subsidiary of the Company, and the Partners entered into the Partnership Agreement to establish the Partnership. The Partnership will be engaged in industrial investment, investment management and investment consultancy services.

The total capital commitment of the Partnership is RMB1,672,000,000. The capital contribution by Shenzhen Fantasia to the Partnership will be RMB771,000,000, representing approximately 46.11% of the total commitment and satisfied by the transfer of 99% equity interest in Huawanli Investment held by the Group. The capital contribution by Qianhai Jianian to the Partnership will be RMB500,000, representing approximately 0.03% of the total commitment and satisfied by cash.

LISTING RULES IMPLICATION

As the applicable percentage ratios for the establishment of the Partnership exceeds 5% but are less than 25%, the establishment of the Partnership constitutes a discloseable transaction for the Company.

Shenzhen Fantasia's transfer of the 99% equity interest in Huawanli Investment to the Partnership as its capital contribution under the Partnership Agreement constitutes a deemed disposal and a discloseable transaction by the Company.

The entering into of the Partnership Agreement is subject to the notification and announcement requirements under the Listing Rules.

THE PARTNERSHIP

The following parties entered into the Partnership Agreement for the establishment of the Partnership.

Parties

- (1) Cinda Capital as general partner;
- (2) Qianhai Jianian as general partner;
- (3) Cinda Assets Management as limited partner; and
- (4) Shenzhen Fantasia as limited partner.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Partners to the Partnership Agreement and their respective ultimate beneficial owners are independent of the Company and its connected persons.

Capital contribution

The partners will contribute in aggregate RMB1,672 million to the Partnership as follows:

- (1) Cinda Capital will contribute RMB500,000 in cash;
- (2) Cinda Asset Management will contribute RMB900 million in cash;
- (3) Shenzhen Fantasia will contribute RMB771 million in equity interest; and
- (4) Qianhai Jianian will contribute RMB500,000 in cash.

Shenzhen Fantasia's contribution will be in the form of the 99% equity interest in Huawanli Investment, a wholly-owned subsidiary of the Group. Huawanli Investment is a limited liability company established in the PRC on 12 September 2012 and is principally engaged in property development. The financial information of Huawanli Investment for the two years ended 31 December 2015 is set out below:

	For the year ended 31 December	
	2014	2015
	RMB'000	RMB'000
Profit/(loss) before tax	(26,442)	(39,336)
Profit/(loss) after tax	(26,442)	(39,336)

The unaudited net asset value of Huawanli Investment as at 31 May 2016 was RMB515 million.

Subject to final audit, the Group is expected to realize a gain on disposal of approximately RMB261 million. Upon completion of the establishment of the Partnership and the transfer of the equity interest in Huawanli Investment to the Partnership, Huawanli Investment will cease to be a subsidiary of the Company.

Business scope of the Partnership

The Partnership will engage in industrial investment, investment management and investment consultancy services.

Term of the Partnership

The Partnership has an initial term of 2.5 years and may be extended upon expiry of the initial term.

Share of profit or loss of the Partnership

The financial results of the Partnership will be incorporated in the Company's consolidated financial statements using the equity method of accounting. The Group will recognise its share of profit or loss of the Partnership according to the Partnership Agreement.

Management of the Partnership

Cinda Capital has been appointed the executive partner of the Partnership and is responsible for the day to day management and operation of the Partnership.

Information on the partners to the Partnership

Shenzhen Fantasia is a wholly-owned subsidiary of the Company and is principally engaged in the business of property development.

Qianhai Jianian is a wholly-owned subsidiary of the Company and is principally engaged in the management of equity investment fund, equity investment, asset management and investment management.

Cinda Capital is principally engaged in the provision of financial services.

Cinda Asset Management is principally engaged in the provision of financial services with a focus on distressed assets. The H shares of Cinda Asset Management are listed on the Stock Exchange.

REASONS FOR ESTABLISHING THE PARTNERSHIP

The Partnership will be principally engaged in industrial investment, investment management and investment consultancy services. The Board is of the view that through the partnership, the Group will be able to benefit from a wealth of attractive investment opportunities from the Partners and enhance the growth and development of the Group. It is contemplated that the partnership will be a new source of income for the Company.

The Board is of the view that the terms of each of the Partnership Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratios for the establishment of the Partnership exceeds 5% but are less than 25%, the establishment of the Partnership constitutes a discloseable transaction for the Company.

Shenzhen Fantasia's transfer of the 99% equity interest in Huawanli Investment to the Partnership as its capital contribution under the Partnership Agreement constitutes a deemed disposal and a discloseable transaction by the Company.

The entering into of the Partnership Agreement is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Cinda Asset Management”	中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.), a company established in the PRC, the H shares of which are listed on the Stock Exchange;
“Cinda Capital”	信達資本管理有限公司 (Cinda Capital Management Co., Ltd.), a company established in the PRC;
“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;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Huawanli Investment”	花萬里投資(北京)有限公司 (Huawanli Investment (Beijing) Company Limited), a wholly-owned subsidiary of the Group as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Partners”	Cinda Capital and Cinda Asset Management, the partners of the Group in the Partnership;
“Partnership”	蕪湖信嘉投資中心(有限合夥) Wuhu Xinjia Investment Center (limited partnership), a limited partnership established in the PRC;
“Partnership Agreement”	the partnership agreement dated 20 June 2016 and the supplemental agreement dated 29 June 2016 among the partners in relation to the establishment of the Partnership;
“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;
“Qianhai Jianian”	深圳前海嘉年投資基金管理有限公司 (Shenzhen Qianhai Jianian Investment Fund Management Co., Ltd.), a company established in the PRC, a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shenzhen Fantasia”	深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Limited), a company established in the PRC, a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent

By Order of the Board
FANTASIA HOLDINGS GROUP CO., LIMITED
Pan Jun
Chairman

Hong Kong, 29 June 2016

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; 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.