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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 ADDITIONAL ISSUE OF CNY DENOMINATED
9.5% SENIOR NOTES DUE 2019**

Reference is made to the announcement of the Company dated 27 April 2016 in relation to the issue of the Original Notes issued by the Company.

The Company proposes to conduct a further international offering of CNY denominated senior notes on terms and conditions of the Original Notes, save for the issue date and the offer price.

Details of the Proposed Additional Notes Issue, including the aggregate principal amount and the offer price for the Additional Notes, will be determined through a book building exercise to be conducted by China Merchants Securities (HK), BofA Merrill Lynch and Guotai Junan International, as the joint lead managers and the joint bookrunners of the Proposed Additional Notes Issue. Upon finalizing the terms of the Additional Notes, it is expected that China Merchants Securities (HK), BofA Merrill Lynch, Guotai Junan International, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement.

The Company intends to use the proceeds of the Additional Notes to refinance certain of its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

The Original Notes are listed on the Official List of the SGX-ST. Approval in-principle has been received for the listing and quotation of the Additional Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Additional Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Additional Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees. SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Additional Notes has been sought in Hong Kong.

As no binding agreement in relation to the Proposed Additional Notes Issue has been entered into as at the date of this announcement, the Proposed Additional Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

A further announcement in respect of the Proposed Additional Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED ADDITIONAL NOTES ISSUE

Introduction

Reference is made to the announcement of the Company dated 27 April 2016 in relation to the issue of the Original Notes by the Company.

The Company proposes to conduct a further international offering of CNY denominated senior notes on terms and conditions of the Original Notes, save for the issue date and the offer price.

Details of the Proposed Additional Notes Issue, including the aggregate principal amount and the offer price for the Additional Notes, will be determined through a book building exercise to be conducted by China Merchants Securities (HK), BofA Merrill Lynch and Guotai Junan International, as the joint lead managers and the joint bookrunners of the Proposed Additional Notes Issue.

The completion of the Proposed Additional Notes Issue is subject to market conditions and investor interest. Upon finalizing the terms of the Additional Notes, it is expected that China Merchants Securities (HK), BofA Merrill Lynch, Guotai Junan International, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement. The Company will make a further announcement in respect of the Proposed Additional Notes Issue upon the signing of the Purchase Agreement.

The Additional Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Accordingly, the Additional Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Additional Notes will be offered to the public in Hong Kong.

Reasons for the Proposed Additional Notes Issue

The Company intends to use the proceeds of the Additional Notes to refinance certain of its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

Listing

The Original Notes are listed on the Official List of the SGX-ST. Approval in-principle has been received for the listing and quotation of the Additional Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Additional Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Additional Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees. SGX-ST assumes no responsibility for the contents of this announcement.

No listing of the Additional Notes has been sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Additional Notes Issue has been entered into as at the date of this announcement, the Proposed Additional Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

A further announcement in respect of the Proposed Additional Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

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

“Additional Notes”	the CNY denominated 9.5% senior notes due 2019 to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Board”	the board of Directors
“BofA Merrill Lynch”	Merrill Lynch International, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Additional Notes

“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
“China Merchants Securities (HK)”	China Merchants Securities (HK) Co., Ltd., one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Additional Notes
“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”, “we”, “our” and “us”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Additional Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Additional Notes
“JV Subsidiary Guarantors”	Subsidiary Guarantors that in the future provide JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Notes”	CNY600,000,000 9.5% Senior Notes due 2019 issued by the Company on 4 May 2016
“Proposed Additional Notes Issue”	the proposed issue of the Additional Notes by the Company
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, the Company, China Merchants Securities (HK), BofA Merrill Lynch and Guotai Junan International in relation to the Proposed Additional Notes Issue
“RMB” or “CNY”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended

“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Additional Notes
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Additional Notes
“United States”	the United States of America
“%”	per cent.

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

Hong Kong, 22 August 2016

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.