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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: 01777)**

**ISSUANCE OF US\$300 MILLION  
7.95% SENIOR NOTES DUE 2022**

Reference is made to the announcement of the Company dated 28 June 2017 in respect of the Notes Issue.

On 28 June 2017, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Guotai Junan International, UBS, Haitong International and Credit Suisse in connection with the issue of US\$300 million 7.95% senior notes due 2022.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses payable in connection with the offer of the Notes, will amount to approximately US\$296.1 million and the Company intends to use the net proceeds 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.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the 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 Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement. No listing of the Notes has been, or will be, sought in Hong Kong.

## **THE PURCHASE AGREEMENT**

Date: 28 June 2017

### **Parties to the Purchase Agreement**

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Guotai Junan International;
- (d) UBS;
- (e) Haitong International; and
- (f) Credit Suisse.

Guotai Junan International, UBS, Haitong International and Credit Suisse are the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Guotai Junan International, UBS, Haitong International and Credit Suisse is an independent third party and not a connected person of the Company.

The 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 Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

## **Principal terms of the Notes**

### *Notes Offered*

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million which will mature on 5 July 2022, unless earlier redeemed pursuant to the terms thereof.

### *Offering Price*

The offering price of the Notes will be 99.797% of the principal amount of the Notes.

### *Interest*

The Notes will bear interest from and including 5 July 2017 at the rate of 7.95% per annum, payable semi-annually in arrears. Interest will be paid on 5 January and 5 July of each year, commencing on 5 January 2018.

### *Ranking of the Notes*

The Notes are general obligations of the Company and will be (a) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (b) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (c) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (d) effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the collateral securing the Notes); and (e) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

### *Events of default*

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien on the collateral in accordance with the covenants described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the Notes (other than the default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the Notes; (e) occurrence of event of default or failure to make a principal payment when due with respect to any indebtedness of the Company or certain of its subsidiaries having in the aggregate an outstanding principal amount of US\$20.0 million; (f) one or more final judgments or orders for the payment of money exceeding in aggregate

US\$20.0 million are rendered against the Company or certain of its subsidiaries and are not paid or discharged for a period of 60 consecutive days; (g) involuntary bankruptcy or insolvency proceedings are commenced against the Company or certain of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings are commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or for any reason cease to be in full force and effect; (j) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents provided under the Notes or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral created under the Notes or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under the security documents provided under the Notes or, other than in accordance with the Indenture, the relevant security documents provided under the Notes or the related intercreditor agreement, any such relevant security document ceasing to be or is not in full force and effect, or the Trustee ceases to have a security interest in the collateral given under the Notes (subject to any permitted liens).

If an event of default (other than an event of default specified in (g) or (h) above) occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs with respect to the Company or certain of its subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

#### *Covenants*

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;

- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with its shareholders or affiliates; and
- (k) effect a consolidation or merger.

### *Optional Redemption*

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 5 July 2020, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 5 July of the years indicated below.

<b>Period</b>	<b>Redemption Price</b>
2020	103.9750%
2021 and thereafter	101.9875%

- (2) At any time prior to 5 July 2020, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus a premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 5 July 2020, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 107.95% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

### **Information of the Company and Reasons for the Notes Issue**

The Company is a leading property developer and property related service provider in China. For nine consecutive years from 2009 to 2017, we have members of our 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 Company were 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 2012 and 2014 by the China Real Estate Research Institute, China Real Estate Association and China Real Estate Assessment Center. In 2014, we were granted the title of the “Innovative Enterprise in China Real Estate Community Service Model” (中國房地產社區服務模式創新企業) in the first Annual Meeting of Community Responsibility in China Real Estate (中國房地產社區責任年會) cum the sixth Annual Meeting of the New Trends in China Property (中國地產新趨勢年會), jointly held by institutions including China Foundation for Poverty Alleviation (中國扶貧基金會) and China Real Estate Chamber of Commerce (全聯房地產商會) and were selected as the “Enterprise with Highest Brand Value in Shenzhen Real Estate” (深圳房地產最具品牌價值企業) by Shenzhen Real Estate Association (深圳市房地產業協會). In April 2015, Shenzhen Fantasia Business Management Company Limited was awarded the honour of the “Best Chinese Commercial Real Estate Operator” (中國商業地產最佳營運商) in the Adjudication and Selection of Golden Coordinate on “the Tenth Chinese Commercial Real Estate Festival” (第十屆中國商業地產節), and the “China Community Commercial Operation Innovation Prize” (中國社區商業運營創新獎) on the Twelfth Chinese Commercial Real Estate Industry Development Forum held in Shanghai. In May 2015, Shenzhen Fantasia International Property Services Co., Ltd., Chengdu Branch (深圳市花樣年國際物業服務有限公司成都分公司) was awarded the honour of the “Model Enterprises for Urban Water Conservation in Chengdu 2014” (成都市2014年度城市節水工作先進單位). In June 2015, Colour Life Services Group Co., Limited under Fantasia Group was awarded the honour of the “Top 10 in Top 100 Comprehensive Property Services Enterprises 2015” (2015物業服務百強綜合TOP 10), the “Leading Enterprises of Satisfaction in Top 100 Property Services Companies 2015” (2015中國物業服務百強滿意度領先企業), the “Top Enterprise with the Largest Area of Residential Properties under Management in the World at the end of 2014” (2014年底物業居住管理面積全球最大), and the “Top 10 Growth Enterprises in Top 100 Property Services Companies 2015” (2015物業服務百強企業成長性TOP 10) by China Real Estate Top 10 Research Team. In addition, Colour Life Services Group ranked the top of “Top 10 Growth Enterprises in Top 100 Property Services Companies 2015” with its prevailing edges. In July 2015, Fantasia Holdings Group Co., Limited was awarded the honour of the “Award of Contribution to Community Service Industry 2015” (2015年度社區服務行業貢獻大獎) at the 15th Annual Conference of BOAO 21st Century Real Estate Forum. Home E&E Group under Fantasia Group was awarded the honour of the “Award of Innovation in Commercial Community Operation 2015” at the 15th Annual Conference of BOAO 21st Century Real Estate Forum in July 2015, and the “Award of Innovation in Resort Properties Operation 2015” in the Adjudication and Selection of China Real Estate Fashion Award in August 2015. In December 2015, Fantasia Group was awarded the honour of the “Award of Innovation in Community Services” (社區服務創新獎), an innovation award of China Real Estate Value Report in the CBN China Real Estate Annual Summit 2015. In June 2016, in the 2016 China Top 100 Property Service Companies Report (2016中國物業服務百強報告) jointly published by China Property Management Association (中國物業管理協會) and China Index Academy (中國指數研究院), Colour Life Service Group Co., Ltd. (彩生活服務集團有限公司), was ranked sixth in the “2016 China Top 10 Property Service Companies in Overall Strength” (2016中國物業服務百強企業綜合實力Top 10). The Company first commenced its property development business in Shenzhen in 1996. Leveraging its broad experience and capabilities, the Company has successfully expanded into, and currently focus its real estate activities in the Chengdu-Chongqing Economic Zone,

the Pearl River Delta region, the Yangtze River Delta region and the Beijing-Tianjin metropolitan region, four of the fastest-growing economic regions in China, and have recently expanded into and plan to also focus on Central China.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses payable in connection with the offer of the Notes, will amount to approximately US\$296.1 million and the Company intends to use the net proceeds 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**

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the 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 Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement. No listing of the Notes has been, or will be, sought in Hong Kong.

## **Rating**

The Notes are expected to be rated B by Standard & Poor's Ratings Services and B3 by Moody's Investors Service.

## **DEFINITIONS**

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

“Board”	the board of Directors
“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
“Company”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, one of the joint lead managers and joint bookrunners in respect of the offer and the sales of the Notes
“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 the sales of the Notes
“Haitong International”	Haitong International Securities Company Limited, one of the joint lead managers and joint bookrunners in respect of the offer and the sales of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the indenture to be entered into on the original issue date of the Notes between the Company, as the issuer of the Notes, the Subsidiary Guarantors as guarantors and Citicorp International Limited as trustee governing the Notes
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the 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
“Notes”	the US\$-denominated senior notes due 2022 in the aggregate principal amount of US\$300 million to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Notes Issue”	the issue of the Notes by the Company
“Purchase Agreement”	the purchase agreement dated 28 June 2017 entered into between and among the Company, the Subsidiary Guarantors, Guotai Junan International, UBS, Haitong International and Credit Suisse in relation to the Notes Issue
“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 Notes

“Subsidiary Guarantor Pledgor”	any Subsidiary Guarantor which on the original issue date of the Notes will pledge collateral to secure the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“Trustee”	Citicorp International Limited
“UBS”	UBS AG Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the offer and the sales of the Notes
“United States”	the United States of America
“US\$”	United States dollar(s)
“%”	per cent.

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

Hong Kong, 29 June 2017

*As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Lam Kam Tong and Mr. Deng Bo; the non-executive Directors are Mr. Li Dong Sheng and Mr. Liao Qian 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.*