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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)

MAJOR TRANSACTION

THE ACQUISITION

On 5 July 2021, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Greenland Entities under which the Purchaser agreed to acquire the entire equity interests of the Target Company for RMB1,260,000,000.

The Target Company is principally engaged in the provision of property management and value added services to commercial properties. Pursuant to the terms of the Agreement, the Greenland Entities have agreed to engage the Target Company as their strategic priority property management service provider of Commercial Related Properties and to deliver contracted GFA of Commercial Related Properties to the Target Company for management for a period of five years following Completion.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN APPROVAL PURSUANT TO RULE 14.44 OF THE LISTING RULES

No shareholder is interested in the transactions contemplated under the Agreement and is required to abstain from voting at the general meeting convened for the approval of the Acquisition. The Company has pursuant to Rule 14.44 of the Listing Rules sought approval of the Agreement and the transactions contemplated thereunder by way of the written approval from Fantasy Pearl, a shareholder holding approximately 57.41% of the issued share capital of the Company as at the date of this announcement.

As the Company expects that it will require more than 15 business days to collate the information to be included in the circular, including the financial information of the Target Company and indebtedness statement of the Company, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to on or before 30 September 2021.

THE ACQUISITION

On 5 July 2021, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Greenland Entities. The principal terms of the Agreement are summarized below:

Subject matter

The Purchaser has agreed to acquire from the Greenland Entities the entire equity interests in the Target Company.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

Consideration

The consideration for the Transaction is RMB1,260,000,000 and was determined by the parties after arm's length negotiations with reference to the current operation and the services being offered by the Target Company, its business prospects, the additional contracted GFA to be provided by the Greenland Entities, and the synergy and complementary effect of the Acquisition could bring to the operation of the Group being considered as a whole.

The consideration will be satisfied by the internal resources of the Group and will be payable in stages and within 12 months after the conditions to Completion have been satisfied.

Conditions

The Acquisition is conditional upon the satisfaction of the following conditions:

- (1) all of the transaction documents have been executed and became effective, and the execution of such documents by the parties have complied with their respective internal approval procedures in accordance with their articles of association, applicable laws and the Listing Rules, and the parties having complied with their disclosure obligations (if applicable) and related processes;
- (2) there had not been any material adverse effect to the Target Company;
- (3) the equity transfer procedures in respect of the Target Company have been completed and registered with the relevant PRC governmental authority; and
- (4) the Target Company having renewed the property management contracts for the projects agreed by the parties under the Agreement.

Undertaking to deliver additional contracted GFA

The Greenland Entities have undertaken that for a period of 5 years after Completion, the Greenland Entities and their associates will engage the Target Company as their strategic priority property management service provider of Commercial Related Properties and deliver a GFA of Commercial Related Properties of not less than 5 million sq.m. each year to the Target Company for management, totaling not less than 25 million sq.m. during the period.

The Greenland Entities have further undertaken that for a period of 3 years after Completion, the Greenland Entities and their associates will procure and provide the Target Company with Commercial Related Properties projects in first or second-tier city of the PRC for management each year, with an additional aggregated contracted GFA of not less than 600,000 sq.m. during the period (in addition to the aforesaid GFA of 25 million sq.m. of Commercial Related Properties).

The Greenland Entities have further undertaken that during the period of one year following Completion, they will enter or cause the entering into with the Target Company of the management contract for preliminary property management services for the project known as 鄭州綠地全球商品貿易港 (Zhengzhou Greenland Global Commodity Trading Port*), located at Jingzhou Road, Zhengzhou (鄭州市荊州路) with total area of approximately 330,000 sq.m. (in addition to the GFA of the aforesaid two undertakings).

If the additional contracted GFA to be provided by the Greenland Entities are residential communities and/or integrated mixed-use properties which contain residential components, the Company will take necessary actions in accordance with the terms of the amended non-competition deed entered into on 1 April 2020 with Colour Life Services Group Co., Limited (“**Colour Life**”), details of which are set out in the circular of Colour Life dated 3 April 2020.

INFORMATION ON THE TARGET COMPANY

The Target Company was a limited liability company established in the PRC in August 2019 and is principally engaged in the provision of property management services to Commercial Related Properties.

The financial results of the Target Company for the two years ended 31 December 2020 are as follows:

	For the year ended	
	31 December	
	2019	2020
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net (loss)/profit before tax	(2)	2,575
Net (loss)/profit after tax	(1)	2,376

The unaudited net asset value of the Target Company as at 31 May 2021 was approximately RMB4,521,000.

INFORMATION ON THE PARTIES

The Company

The Company is a leading property developer and property related service provider in the PRC. Its subsidiaries are involved in the provision of property management and related value-added services.

The Purchaser

The Purchaser is a wholly-owned subsidiary of the Company and is principally engaged in the provision of property management services to commercial properties.

The Greenland Entities

- (i) 綠地控股集團有限公司 (Greenland Holdings Corporation Ltd.) (“**Greenland Holdings**”) Greenland Holdings engages in the development, sale and leasing of real estates. It also offers second-hand housing agency, financial services, leasing of industrial parks, commercial and hotel operation, metro investment industry and entrusted construction management services. The shares of Greenland Holdings are listed on the Shanghai Stock Exchange (stock code: 600606.SS).
- (ii) 綠地金融投資控股集團有限公司 (Greenland Financial Investment Holding Group Co., Ltd.*) (“**Greenland Financial**”) Greenland Financial is a limited liability company established in the PRC and is principally engaged in the business of investment in financial assets and asset management. It is an indirect wholly-owned subsidiary of Greenland Holdings.

To the best knowledge of the Directors, having made reasonable enquiry, each of the Greenland Entities and their ultimate owners are independent of and not connected with the Company and its connected persons.

REASONS FOR THE ACQUISITION

The Acquisition is to enlarge the Group’s property management business and provide a stable project pipeline for the Group. The Acquisition will add scale to the Group’s property management business and benefit the long-term development of the Group.

The Directors (including the independent non-executive Directors) consider that the Agreement was entered under on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

WRITTEN APPROVAL PURSUANT TO RULE 14.44 OF THE LISTING RULES

No shareholder is interested in the transactions contemplated under the Agreement and is required to abstain from voting at the general meeting convened for the approval of the Acquisition. The Company has pursuant to Rule 14.44 of the Listing Rules sought approval of the Agreement and the transactions contemplated thereunder by way of the written approval from Fantasy Pearl, a shareholder holding 3,314,090,500 Shares, representing approximately 57.41% of the issued share capital of the Company, as at the date of this announcement.

As the Company expects that it will require more than 15 business days to collate the information to be included in the circular, including the financial information of the Target Company and indebtedness statement of the Company, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to on or before 30 September 2021.

GENERAL

Completion of the Acquisition is subject to fulfillment of certain conditions, shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interests in the Target Company by the Purchaser pursuant to the terms of the Agreement;
“Agreement”	the agreement dated 5 July 2021 between the Purchaser and the Greenland Entities;
“Board”	the board of the Company;

“Commercial Related Properties”	property projects which are either commercial properties or integrated mixed-use properties;
“Company”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Acquisition;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Fantasy Pearl”	Fantasy Pearl International Limited, a company incorporated in the British Virgin Islands, and the controlling shareholder of the Company holding approximately 57.41% of the issued share capital of the Company as at the date of this announcement;
“GFA”	gross floor area;
“Greenland Entities”	綠地控股集團有限公司 (Greenland Holdings Corporation Ltd.) and 綠地金融投資控股集團有限公司 (Greenland Financial Investment Holding Group Co., Ltd.*);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

“Purchaser”	深圳市富昌商業服務有限公司(Shenzhen Fuchang Commercial Service Co., Ltd.*), a limited liability company established in the PRC, a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shareholders”	shareholders of the Company;
“sq.m”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	上海綠閔物業管理有限公司(Shanghai Lumin Property Management Co., Ltd.*), a limited liability company established in the PRC;
“%”	per cent.

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

Hong Kong, 5 July 2021

As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhang Huiming and Mr. Chen Xinyu; the non-executive Director is Mr. Liao Qian; and the independent non-executive Directors are Mr. Ho Man, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu.

* for identification purposes only