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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: 1777)

**INSIDE INFORMATION
DISCLOSEABLE TRANSACTION
AND
RESUMPTION OF TRADING**

This announcement is made by Fantasia Holdings Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

ALLEGED CLAIM

The Company received a notice from TFI Securities and Futures Limited (“**TFISF**”) which alleged that the Company has not discharged its payment obligations owed to TFISF in the alleged amount of approximately US\$96.98 million. TFISF has alleged that the 780,104,676 shares in Colour Life Services Group Co., Limited (Stock code: 1778) held by TFISF as custodian for the Company are subject to a charge as security of the alleged amount owed to TFISF and that it is entitled to enforce the charge. The Company is of the view that the alleged amount owed to TFISF is not secured by the relevant shares. The Company is seeking legal advice on the unauthorised attempt to enforce the purported security to protect its legal rights and interests. Further announcement will be made by the Company as and when appropriate.

UPDATE ON THE PROPOSED TRANSFER OF LINK JOY HOLDINGS GROUP CO., LIMITED

Reference is made to the announcement of the Company dated 26 October 2021 (the “**Announcement**”) in relation to, among others, the transfer of the entire issued share capital of Link Joy Holdings Group Co., Limited. Unless otherwise defined, capitalized terms used in this section of the announcement have the same meaning as used in the Announcement. The Company would like to update its shareholders and investors that the parties to the Share Transfer Agreement are still negotiating the terms of a supplemental agreement for the termination of the Share Transfer Agreement. Further announcement will be made by the Company upon the entering into by the parties of the supplemental agreement.

DISCLOSEABLE TRANSACTION – DISPOSAL OF INTEREST IN NINGBO COMPANY

(i) The Ningbo Disposal

On 25 November 2021, Cixi Huachuang Real Estate Development Co., Ltd.* (慈溪花創房地產開發有限公司) which is a wholly-owned subsidiary of the Company, entered into an agreement (“**Ningbo Agreement**”) with Hefei Yunshao Real Estate Partnership (Limited Partnership)* (合肥昀紹房地產合夥企業(有限合夥)) in relation to (i) the transfer of its 49% interest in Zhejiang Jialin Real Estate Development Co., Ltd.* (浙江佳霖房地產開發有限公司) (the “**Ningbo Company**”); and (ii) the assignment of the shareholders loan owed by the Ningbo Company (the “**Ningbo Disposal**”). The consideration for the Ningbo Disposal was RMB200 million. Completion of the Ningbo Disposal took place on 25 November 2021.

(ii) The Ningbo Company

The Ningbo Company is the holding company of Ningbo Zhaonian Real Estate Co., Ltd.* (寧波兆年置業有限公司) (“**Project Company**”), which in turn holds a property project located in Yinzhou district (鄞州區), Ningbo, the People’s Republic of China (“**PRC**”) with land use rights of 26,647 square meters. The property project is still under development and commenced pre-sale in June 2021.

The financial results of the Ningbo Company for the period from 20 July 2020 (date of incorporation) to 31 December 2020 and for the six months ended 30 June 2021 are set out below:

	For the period from date of incorporation to 31 December 2020 RMB	For the six months ended 30 June 2021 RMB
Loss before tax	1,359	3,191
Loss after tax	1,359	3,191

The unaudited net liabilities of the Ningbo Company as at 30 June 2021 was approximately RMB3,030.

(iii) Reasons and benefits

Reference is made to the announcements of the Company dated 26 October 2021 and 9 November 2021 in relation to the measures to be adopted by the Company to ease its liquidity issue. The Ningbo Disposal is one of the measures being implemented to ease the liquidity issue faced by the Company. The proceeds from the Ningbo Disposal will be used to as general working capital of the Group for its day-to-day business.

The consideration was determined by the parties after arm’s length negotiations with reference to (i) the face value of the shareholders loan of approximately RMB256 million as at the date of the Ningbo Agreement; and (ii) the status of the development of the property project held by the Project Company.

The Company considers that the terms of the Ningbo Disposal (including the consideration) were fair and reasonable and in the interests of the Company and its shareholders as a whole.

(iv) Financial effect

The Group’s interest in the Ningbo Company has been accounted as “interests in associates” in its financial statements. It is expected that the Group will record a loss of approximately RMB56 million from the Ningbo Disposal.

(v) Information on the Group

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1777). The vendor to the Ningbo Disposal is limited liability company incorporated in the PRC and is principally engaged in property development business. It is a wholly-owned subsidiary of the Company as at the date of this announcement.

(vi) Information on the purchaser

The purchaser to the Ningbo Disposal is a limited partnership. The general partner of the purchaser to the Ningbo Disposal is Hefei Chongshao Trade Co., Ltd.* (合肥崇紹貿易有限責任公司). The purchaser to the Ningbo Disposal is principally engaged in property development and management businesses.

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, none of the purchaser and its general partner and limited partners is a connected person of the Company.

(vii) Listing Rules implications

As one of the applicable percentage ratios in respect of the Ningbo Disposal exceeds 5% but is less than 25%, the Ningbo Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Company acknowledges that the notification and announcement in respect of the Ningbo Disposal has been delayed due to inadvertent oversight on its part. The failure to make timely disclosure was due to a misunderstanding that the Ningbo Disposal involved a disposal of inventories for the purpose of Chapter 14 of the Listing Rules. As a result, the Company did not consider that the Ningbo Disposal would constitute a notifiable transaction under Chapter 14 of the Listing Rules.

UPDATE ON 7.8% RMB DENOMINATED BONDS

On 26 November 2021, the relevant bondholders of the 7.8% RMB denominated bonds originally due 2022 (bond number: 163025) issued by Fantasia Group (China) Company Limited, a subsidiary of the Company, in the outstanding principal amount of RMB730 million resolved to (i) extend the maturity date from 2022 to 2024; and (ii) modify the payment schedule for the interest which became due on 29 November 2021 as follows: 20% of the interest to be payable on 30 November 2021; and 80% of the interest to be payable on 29 November 2022.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 29 November 2021. Application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 13 December 2021.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

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

Hong Kong, 10 December 2021

As at the date of this announcement, the executive directors of the Company are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhu Guogang and Mr. Chen Xinyu, the non-executive director of the Company is Mr. Su Boyu, and the independent non-executive directors of the Company are Mr. Guo Shaomu and Mr. Kwok Chi Shing.

* *for identification purpose only*