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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTEREST IN PROJECT COMPANY

The Disposal

On 23 December 2024, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchasers, the Project Company and the JV Partner, under which the Vendor and the JV Partner agreed to sell their respective interests in the Project Company to the Purchasers.

The Vendor is interested in 40% of the equity in the Project Company. The Project Company is a property development company and holds the Project, a residential development project located at the Guangning District in Yangzhou, Jiangsu Province. Upon completion of the Disposal, the Group will cease to have any interests in the Project Company.

Listing Rules Implications

As one of the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 23 December 2024, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement in relation to the Disposal. The salient terms of the Disposal are summarized below:

Subject matter

The Vendor will sell the Sale Shares, representing 40% of the equity interests in the Project Company, to the Purchasers. Under the terms of the Agreement, the JV Partner will also sell all of its interests, representing 60% of the equity interests in the Project Company, to the Purchasers. The changes in the shareholding of the Project Company before and after the Disposal are summarized below:

| | Percentage shareholding in the Project Company | |
|----------------------|---|---|
| | As at the date of this announcement | Immediately upon completion of the Disposal |
| the JV Partner | 60% | – |
| the Vendor | 40% | – |
| the First Purchaser | – | 90% |
| the Second Purchaser | – | 10% |
| Total | 100% | 100% |

Upon completion of the Disposal, the Purchasers will take over and continue the development of the Project.

Consideration

The aggregate consideration for the Disposal is RMB15,929,622.67.

The consideration was determined by the parties after arm's length negotiations and has been fixed at the unrecovered investment amount made by the Group in the Project, taking into account the adverse market conditions in the PRC property market where all property development projects have experienced a significant drop in value.

The consideration will be paid by the Purchasers in stages in the following manners:

- (i) First payment in the aggregate amount of RMB3,982,405.67, representing 25% of the consideration, within 5 days of the signing of the Agreement and the transfer of the management right of the Project Company to the Purchasers;
- (ii) Second payment in the aggregate amount of RMB3,982,405.67, representing 25% of the consideration, within 5 days of the withdrawal of the general contractor from the Project;
- (iii) Third payment in the aggregate amount of RMB6,371,849.06, representing 40% of the consideration, on the day of completion of the registration of change of ownership in the Sale Shares with the Administrative Bureau of Industrial and Commerce; and
- (iv) Fourth payment in the aggregate amount of RMB1,592,962.27, representing 10% of the consideration, within 3 days after the Project is completed and delivered according to the guaranteed delivery timeframe.

Conditions

The Disposal is conditional upon the satisfaction of, among others, the following conditions:

- (a) the Agreement has been duly executed by the parties;
- (b) the Purchasers having completed the transfer of the pledge of the Project Company's equity with Industrial and Commercial Bank of China, Yangzhou Branch.

INFORMATION ON THE PROJECT COMPANY

The Project Company is a limited liability company established in the PRC on 16 December 2020. It is owned as to 60% by the JV Partner and as to 40% by the Vendor. The Project Company is currently being accounted as a subsidiary of the Company.

The principal business of the Project Company is the development of a residential project at Guangning District in Yangzhou, Jiangsu Province (江蘇省揚州市廣陵區) (the “**Project**”). The Project has a land area of approximately 77,399 sq.m. and a constructable GFA of approximately 142,010 sq.m.. As of the date of the Agreement, 285 units of the Project have been pre-sold. Save for a number of ponds and a small number of residential units remaining on the land, most of the prior structures on the land have been demolished and removed. Owing to the liquidity crisis of the Group and the JV Partner, development work on the Project has been suspended. The Project has been included in the list of projects for “guarantee delivery” under the PRC Government’s policy of “保交樓、穩民生” (guarantee delivery of property and stabilize people’s livelihood) introduced to address the downturn in the PRC property market.

Set out below is the consolidated financial information of the Project Company for the two years ended 31 December 2023 prepared in accordance with generally accepted accounting principles in the PRC:

| | For the year ended | |
|--------------------------|---------------------------|----------------|
| | 31 December | |
| | 2023 | 2022 |
| | <i>RMB’000</i> | <i>RMB’000</i> |
| | (unaudited) | (unaudited) |
| Net loss before taxation | (10,373) | (13,218) |
| Net loss after taxation | (10,373) | (13,218) |

The unaudited net asset value of the Project Company as at 30 June 2024 was RMB63,811,000.

Subject to final audit, it is expected that the Group will realise a loss of approximately RMB22,777,000 in respect of the Disposal, which is calculated with reference to the carrying value of the Project Company as of 30 June 2024. The proceeds from the Disposal will be utilised for general working capital purposes of the Group.

Upon completion of the Disposal, the Group will no longer have any interests in the Project Company.

REASONS FOR THE DISPOSAL

As the continuous development of the Project would require further investment, the Company, given its current liquidity issue, is no longer in a position to further invest and support the continuous development of the Project. The Disposal serves to revitalize the Project, promote the resumption of work and construction and abide by the Government's policy of "guarantee delivery of property and stabilize people's livelihood".

As the Disposal is being carried out after arm's length negotiations and on normal commercial terms, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and the Disposal in the interests of the Company and all the stakeholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company. The Group is principally engaged in the development and investment of residential and commercial properties, property management, commercial properties operation in the PRC.

The Vendor

The Vendor is a limited liability company established in the PRC and is principally engaged in the business of property development. It is an indirect wholly-owned subsidiary of the Company.

The JV Partner

The JV Partner is a limited liability company established in the PRC and is principally engaged in the business of property development. It is a subsidiary of DaFa Properties Group Limited (in liquidation), a company principally engaged in property development in the PRC, the shares of which were previously listed on the main board of the Stock Exchange (Stock Code: 6111), the listing status of which was cancelled by the Stock Exchange on 14 October 2024.

The First Purchaser

The First Purchaser is a limited liability company established in the PRC and is principally engaged in property development and management. It is owned by Yangzhou New Town State-owned Assets Investment and Development Group Co., Ltd., which is a State-owned enterprise engages in property development.

The Second Purchaser

The Second Purchaser is a limited liability company established in the PRC and is principally engaged in property development and management. It is owned by Yangzhou Urban Construction State-owned Assets Holding (Group) Co., Ltd., which is a State-owned enterprise engages in urban construction.

To the best knowledge of the Directors, having made reasonable enquiry, the Purchasers and their ultimate beneficial owners are not connected persons of the Company.

DEFINITIONS

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

| | |
|-------------|--|
| “Agreement” | the agreement dated 23 December 2024 between the Vendor, the Purchasers, the Project Company and the JV Partner in relation to the Disposal; |
| “Board” | the board of directors of the Company; |

| | |
|--------------------|---|
| “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 (Stock Code: 1777); |
| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Disposal” | the sale of 40% of the equity of the Project Company to the Purchasers; |
| “First Purchaser” | 揚州易華置業有限公司 (Yangzhou Yihua Real Estate Co., Ltd.*), a limited liability company established in the PRC; |
| “JV Partner” | 南京源緯置業有限公司 (Nanjing Yuanwei Real Estate Co., Ltd.*), a company established in the PRC, the joint venture partner of the Company in the Project Company; |
| “GFA” | gross floor area; |
| “Group” | the Company and its subsidiaries; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PRC” | the People’s Republic of China; |
| “Project” | has the meaning ascribed to it under the section headed “INFORMATION ON THE PROJECT COMPANY” in this announcement; |
| “Project Company” | 揚州垠壹置業有限公司 (Yangzhou Yiyi Real Estate Co., Ltd.*), a limited liability company established in the PRC; |
| “Purchasers” | the First Purchaser and the Second Purchaser; |

| | |
|--------------------|---|
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Sale Shares” | 40% of the registered capital of the Project Company; |
| “Second Purchaser” | 揚州華建置地有限公司 (Yangzhou Huajian Real Estate Co., Ltd.*), a limited liability company established in the PRC; |
| “Shareholder(s)” | shareholder(s) of the Company; |
| “sq.m.” | square meters; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Vendor” | 南京花創實業投資有限公司 (Nanjing Huachuang Industrial Investment Co., Ltd.*), a limited liability company established in the PRC, an indirect subsidiary of the Company; |
| “%” | per cent. |

By Order of the Board
Fantasia Holdings Group Co., Limited
CHENG Jianli
Chairman

Hong Kong, 23 December 2024

As at the date of this announcement, the executive directors of the Company are Ms. Cheng Jianli, Mr. Timothy David Gildner and Mr. Lin Zhifeng; the non-executive directors of the Company are Ms. Zeng Jie, Baby and Mr. Su Boyu; and the independent non-executive directors of the Company are Mr. Guo Shaomu, Mr. Kwok Chi Shing and Mr. Ma Yu-heng.

* For identification purpose only.