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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Fantasia Holdings Group Co., Limited**, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 13 of this circular.

A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at 10:00 a.m. on Friday, 8 September 2023 at Imagination Room, BOHUB, 5/F., Tower A, The Platinum Tower, No. 1 Tairan 7th Road, Futian District, Shenzhen, the PRC is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

25 July 2023

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DEFINITIONS

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

| | |
|--|--|
| “Colour Life” | Colour Life Services Group Co., Limited, 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: 1778) |
| “Colour Life Group” | Colour Life and its subsidiaries |
| “Commercial and Integrated Mixed-use Properties” | include commercial properties, integrated mixed-use properties, public facilities and industrial 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 (Stock Code: 1777) |
| “Country Garden” | Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), 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: 6098) |
| “Disposal” | the transfer of the Sale Share |
| “EGM” | the extraordinary general meeting to be convened and held at Imagination Room, BOHUB, 5/F., Tower A, The Platinum Tower, No. 1 Tairan 7th Road, Futian District, Shenzhen, the PRC, on Friday, 8 September 2023 at 10:00 a.m. to approve and ratify the Disposal |
| “GFA” | gross floor area |
| “Group” | the Company and its subsidiaries (including the Colour Life Group) |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with Fantasia and Colour Life and their respective subsidiaries and their respective connected person(s) (as defined under the Listing Rules) and their respective ultimate beneficial owner(s) or their respective associates |

DEFINITIONS

| | |
|----------------------------|---|
| “Latest Practicable Date” | 21 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Loan” | a loan in the amount of RMB700,000,000 provided by the Purchaser to Colour Life under the Loan Agreement |
| “Loan Agreement” | the loan agreement entered into among Colour Life, Shenzhen Colour Life and the Purchaser dated 30 September 2021 |
| “PRC” | the People’s Republic of China |
| “Purchaser” | Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司), an indirect wholly-owned subsidiary of Country Garden |
| “Remaining Group” | the Group (excluding the Target Group) |
| “Sale Share” | the entire issued share capital of the Target Company |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share Transfer Agreement” | the agreement dated 28 September 2021 entered into among Colour Life, the Purchaser, Shenzhen Colour Life and the Target Company in relation to the Disposal |
| “Shareholder” | shareholder of the Company |
| “Shenzhen Colour Life” | 深圳市彩生活服務集團有限公司 (Shenzhen Colour Life Services Group Company Limited*), a company established in the PRC and a wholly-owned subsidiary of Colour Life |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supplemental Agreement” | the agreement dated 28 March 2022 entered into between the parties to the Share Transfer Agreement to supplement the terms of the Share Transfer Agreement |
| “Target Company” | Link Joy Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability |
| “Target Group” | the Target Company and its subsidiaries |

* for identification purposes only

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Pan Jun (*Chairman and Chief Executive Officer*)

Ms. Zeng Jie, Baby

Mr. Ke Kasheng

Mr. Zhu Guogang

Mr. Chen Xinyu

Mr. Timothy David Gildner

Registered office:

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P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-executive Director:

Mr. Su Boyu

Corporate Head Office in Hong Kong:

21/F, CMA Building

64 Connaught Road Central

Hong Kong

Independent Non-executive Directors:

Mr. Guo Shaomu

Mr. Kwok Chi Shing

Corporate Headquarters in People's

Republic of China:

Block A, Funian Plaza

Shihua Road and Zijing Road

Interchange in Futian Duty-free Zone

Shenzhen 518048

Guangdong Province

China

25 July 2023

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 26 October 2021 and 28 March 2022 in relation to, among others, the Disposal.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) details of the Disposal; (ii) a notice of the EGM; and (iii) further information required to be disclosed under the Listing Rules.

THE DISPOSAL

On 28 September 2021, Colour Life as vendor, Shenzhen Colour Life as guarantor, the Purchaser and the Target Company entered into the Share Transfer Agreement in relation to the sale of the Sale Share at a consideration of RMB3,300 million, payable in three instalments of RMB2,300 million, RMB700 million and RMB300 million.

On 30 September 2021, Colour Life as borrower, Shenzhen Colour Life as guarantor and the Purchaser as lender, entered into the Loan Agreement. Under the Loan Agreement, the Purchaser provided the Loan in the amount of RMB700 million to Colour Life.

The proceeds of the Loan was applied for the general working capital and repayment of debts of the Colour Life Group. As security for repayment of the Loan, the Sale Share was charged in favour of the Purchaser.

The Loan was not repaid when it became due on 4 October 2021. The Purchaser enforced the charge on the Sale Share. At the relevant time, the first instalment of RMB2,300 million had been received by the Colour Life Group while the second instalment of RMB700 million and the third instalment of RMB300 million remained outstanding. Upon enforcement of the share charge in October 2021, the legal and beneficial interest in the Sale Share were transferred to the Purchaser.

Given the consideration for the Sale Share was agreed to be RMB3,300 million under the Share Transfer Agreement, the Share Transfer Agreement was not terminated and the Purchaser remained obliged to fulfil its payment obligations under the Share Transfer Agreement. The parties to the Share Transfer Agreement commenced negotiation for an agreement to supplement the Share Transfer Agreement, which took into account the transfer of the Sale Share by enforcement.

On 28 March 2022, Colour Life, Shenzhen Colour Life, the Purchaser and the Target Company entered into the Supplemental Agreement to supplement the terms of the Share Transfer Agreement. The Share Transfer Agreement, as supplemented by the Supplemental Agreement, is legally valid and enforceable.

The principal terms of the Share Transfer Agreement, as supplemented by the Supplemental Agreement, are set out below.

Subject matter

Colour Life conditionally agreed to transfer to the Purchaser, and the Purchaser conditionally agreed to acquire, the Sale Share, being the entire issued share capital of the Target Company.

LETTER FROM THE BOARD

Consideration

The consideration for the Disposal is RMB3,300 million.

As at the Latest Practicable Date, RMB2,300 million has been received by the Colour Life Group.

The balance of the consideration under the Share Transfer Agreement will be payable as follows:

- (i) the amount of RMB700 million will be set off against the loan of RMB700 million that has been advanced by the Purchaser to the Colour Life Group under the Loan Agreement. Upon the set-off, Colour Life will be deemed to have discharged its payment obligation under the Loan Agreement in full; and
- (ii) the balance of RMB300 million will be payable in two instalments.

Conditions

- (a) The first instalment in the amount of RMB280,000,000 will be payable within three business days upon fulfilment of the following conditions:
 - (i) the Purchaser having appointed a target work force (including but not limited to senior management in the finance, business operations, legal and human resources departments) to the principal members of the Target Group;
 - (ii) the relevant anti-monopoly authorities in the PRC having approved the transactions contemplated under the Share Transfer Agreement;
 - (iii) the registration procedures to register the Purchaser as the registered holder of the Sale Share having been completed;
 - (iv) Colour Life having transferred the relevant constitutional documents (including licenses and certificates) and company kit (including company seals and chops) of members of the Target Group to the Purchaser;
 - (v) completion of the relevant business registration procedures of certain members of the Target Group;
 - (vi) completion of registration of the transfer of the equity interest of the companies to be retained by the Colour Life Group, namely 深圳市花漾樂商業服務有限公司 and 深圳市前海盛峰通達股權投資有限公司, from the Target Group to the Colour Life Group;
 - (vii) the release of certain charged equity interests of members of the Target Group, which were charged to banks or financial institutions;

LETTER FROM THE BOARD

- (viii) the perfection of the formalities of the mortgages subsisting on the immovable properties of the Target Group;
 - (ix) the Target Company and its principal subsidiaries having settled any outstanding amounts owed by them to members of the Colour Life Group;
 - (x) Colour Life having settled any amount payable to members of the Target Group;
 - (xi) the release of any guarantees provided by members of the Target Group;
 - (xii) the Purchaser having obtained the relevant information system and data platform of the principal members of the Target Group; and
 - (xiii) Colour Life having completed the relevant procedures for the change in personnel in members of the Target Group including the retention of working level personnel of the project companies of the Target Group.
- (b) The second instalment in the amount of RMB20,000,000 will be payable upon Colour Life and the Company having obtained the relevant shareholders' approvals for the transfer of the Sale Share at their respective general meeting.

As at the Latest Practicable Date, conditions (ix) and (x) for the payment of the first instalment remained not satisfied. The Company expects that the conditions will be satisfied by the end of August 2023. The Company will publish an update announcement when condition (a) is fulfilled and the first instalment has been received. With respect to the second instalment, as at the Latest Practicable Date, the second instalment has not been received. The Company will publish a further update announcement after the EGM when condition (b) is fulfilled and the second instalment has been received.

The parties to the Supplemental Agreement have agreed that any unsettled amount owed by members of the Colour Life Group to the Target Group may be set off via the consideration for the Sale Share payable by the Purchaser.

Basis of the consideration

The consideration was determined after arm's length negotiations between Colour Life and the Purchaser with reference to (i) the historical financial performance and the status of the existing projects of the Target Group; (ii) the unaudited combined net profit after taxation of the Target Group; (iii) the price-to-earnings multiple of comparable companies engaging in the property management business in the PRC; and (iv) the price-to-earnings ratios of comparable transactions engaging in the property management business in the PRC by HK-listed PRC property management companies over the past 12 months of the date of the Share Transfer Agreement.

LETTER FROM THE BOARD

Completion

The transfer of the Sale Share to the Purchaser has taken place in October 2021 as a result of the share charge enforcement as explained in the section headed “THE DISPOSAL” above.

INFORMATION ON THE TARGET GROUP

The Target Company was a company established in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of Colour Life. The Target Group was principally engaged in the provision of property management services for Commercial and Integrated Mixed-use Properties and residential communities.

The following table sets out the GFA and the number of communities where the Target Group provided management and consultancy services in different regions as at 30 September 2021.

| | As at 30 September 2021 | | | |
|-------------------------------------|-----------------------------|-----------------------|---|-----------------------|
| | Managed by the Target Group | | Under the Target Group's consultancy service arrangements | |
| | GFA | Number of communities | GFA | Number of communities |
| | ('000 sq.m.) | | ('000 sq.m.) | |
| Shenzhen | 4,480 | 19 | 145 | 2 |
| Southern China (excluding Shenzhen) | 15,792 | 60 | 132 | 2 |
| Eastern China | 47,130 | 161 | 47 | 1 |
| Southwestern China | 15,016 | 56 | 109 | 1 |
| Northeastern China | 7,450 | 25 | – | – |
| Northwestern China | 3,376 | 15 | – | – |
| Northern China | 11,430 | 56 | – | – |
| Central China | 7,798 | 31 | – | – |
| Total | <u>112,472</u> | <u>423</u> | <u>433</u> | <u>6</u> |

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the transfer of the Sale Share, members of the Target Group ceased to be subsidiaries of Colour Life and the Company, and the financial results of the Target Group were no longer consolidated into the financial statements of the Group and the Colour Life Group.

Effect on earnings

The Group is expected to record an unaudited gain on the Disposal of approximately RMB299 million, after taking the withholding tax for the Disposal of approximately RMB33 million into consideration.

LETTER FROM THE BOARD

Effect on assets

The Disposal is estimated to result in a decrease of approximately RMB1,158 million in the total assets of the Group, a decrease of approximately RMB1,457 million in total liabilities of the Group, and an increase of approximately RMB299 million in net assets of the Group, taking into account the net cash generated from the Disposal of approximately RMB3,300 million less the net asset of the Target Group as at 30 September 2021 of approximately RMB2,955 million, the estimated professional fees and other expenses directly attributable to the Disposal of approximately RMB13 million, and the withholding tax for the Disposal of approximately RMB33 million.

The excess of the consideration over the net book value of the Target Group was RMB345 million.

REASONS FOR THE DISPOSAL

At the relevant time of entering the Share Transfer Agreement and the Loan Agreement, the Colour Life Group was faced with tightened liquidity, the Disposal assisted in immediately relieving the liquidity issue of the Colour Life Group. The proceeds from the Disposal received so far had been utilized as to (i) approximately 76% towards repayment of the principal amount of the bank loans and accrued interests; (ii) approximately 24% as general working capital (including salary payments, prepayment and deposits, utilities and legal fees) of the Colour Life Group. The remaining proceeds to be received will be applied as general working capital of the Colour Life Group.

After the Disposal in October 2021, the property sector in China experienced further deterioration in 2022 in terms of contracted sales and liquidity. Many, if not most, market participants were not immuned from the trend. While the 16 supportive measures have been outlined in the Notice of the People's Bank of China and the China Banking and Insurance Regulatory Commission on Providing Financial Support for the Stable and Healthy Development of the Real Estate Market (關於做好當前金融支持房地產市場平穩健康發展工作的通知) published in November 2022 with the objective of easing the liquidity issue faced by the sector, it is expected that it would take some time before their impact and benefits will be permeated the sector.

For the above reasons and the then prevailing market sentiment, the Company considered that the Disposal, which took place in October 2021, was in the interests of the Company and the Shareholders as a whole.

The portfolio of the properties under the management of the Target Group was a sub-set of the portfolio of the properties under the management of the Colour Life Group.

LETTER FROM THE BOARD

Since completion of the transfer of the Sale Share and as at the Latest Practicable Date, the Colour Life Group has not engaged in the provision of property management services to pure commercial properties. It remained focused on the provision of property management services to properties in which the majority of the portfolio consists of (i) properties which are purely residential; and (ii) integrated mixed-use properties (including office buildings, shopping malls, leisure facilities, SOHO and serviced apartments) which have residential components, but excluding pure commercial properties.

INFORMATION ON THE PARTIES

(i) 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 Group is one of the leading property developers in the PRC and is principally engaged in (i) property development, (ii) lease of investment properties, (iii) provision of property operation services, (iv) provision of hotel accommodation services, and (v) property management and other related services.

(ii) The Colour Life Group

Colour Life is a subsidiary of the Company.

Colour Life 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: 1778).

The Colour Life Group is a leading property management and community services provider in the PRC, focuses on setting up offline and online service platform via the internet technology and effectively linking the residents of the communities with different commodities and service providers, so as to provide the best living experience for residents of the communities on the back of property management services.

(iii) The Purchaser

The Purchaser is an indirect wholly-owned subsidiary of Country Garden. Based on the public information available, the Purchaser and its subsidiaries are principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners, “Three Supplies and Property Management” businesses, city services and commercial operational services.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Company, after making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

(1) Very substantial disposal

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company and Colour Life under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(2) Rule 14.49 of the Listing Rules

Given the Sale Share had already been transferred to the Purchaser prior to obtaining Shareholder's approval at the EGM, the Disposal did not comply with Rule 14.49 of the Listing Rules. The Company would like to emphasize that the breach was un-intentional and a one-off incident. The transfer of the Sale Share took place via enforcement under unprecedented and exceptional circumstances. At the relevant time in 2021, access to financing suddenly dwindled, the sentiment of homebuyers became depressed, and the cash flow in financing and operations declined sharply, the Group, together with many market participants of the property sector, was faced with unprecedented tightened liquidity. Barring unforeseen and exceptional circumstances, the Company does not expect any similar breaches in the future.

Notwithstanding that the transfer of the Sale Share has taken place, to protect the information rights of the Shareholders, the Company has (i) disclosed the principal terms of the Disposal and information in relation to the Target Group in this circular; and (ii) will convene the EGM so as to provide the forum and opportunity for the Shareholders to ask questions and express their comments in connection with the Disposal.

(3) Rule 14.68(2) and Rule 14.68(3) of the Listing Rules

Set out in Appendix II of this circular is the financial information for the three years ended 31 December 2020 and nine months ended 30 September 2021 of the Target Group.

The period covered by the financial statements set out in Appendix II does not comply strictly with Rule 14.68(2) of the Listing Rules, which provides that the circular should include financial information of the Target Company for the relevant period as defined in the note to Rule 4.06(1)(a), being the three financial years immediately preceding the issue of this circular and a stub period, provided that the relevant period must have ended 6 months or less before the issue of this circular.

LETTER FROM THE BOARD

The Company considers that disclosure of the financial information for the period as disclosed in Appendix II provides the Shareholders with sufficient and more relevant information for them to consider the Disposal:

- (i) Since the transfer, the Company no longer had control of the Target Company. As a matter of fact, the Company would not be able to obtain the financial information of the Target Group as the Sale Share has been transferred to the Purchaser since October 2021 and under the Purchaser's management.
- (ii) The principal terms of the Disposal (including the consideration) was originally agreed in September 2021. Appendix II contains the financial information of the Target Group up to and including the month in which the terms of the Disposal was agreed, which was considered by the parties to Share Transfer Agreement when negotiating the terms of the Disposal.

The Company is also not able to comply with Rule 14.68(3) of the Listing Rules which requires disclosure of the financial information required under paragraph 32 of Appendix 16 on the Remaining Group.

Given the audit of the 2021 and 2022 annual results was on-going as at the Latest Practicable Date. The Company is not in a position to discuss the Remaining Group's performance for the relevant period. Nevertheless, the Company expects to publish its outstanding financial statements (which will contain a discussion of the performance of the Remaining Group) in August 2023.

(4) Rule 4.29(4) of the Listing Rules

Set out in Appendix III of this circular is the unaudited pro forma financial information of the Remaining Group.

In compliance with Rule 4.29(5), the unadjusted information was derived from the most recent audited published financial statements (being the 2020 annual results) and the published interim results (being the 2021 interim results).

However, as at the Latest Practicable Date, the audit of the 2021 and 2022 annual results and the review of the 2022 interim result is on-going. As such, practically, the Company is not able to comply with Rule 4.29(4) of the Listing Rules which requires pro forma financial information to be published in respect of (a) the current financial period; (b) the most recently completed financial period; and/or (c) the most recent interim period for which relevant unadjusted information has been or will be published or is being published in the same document.

LETTER FROM THE BOARD

Nevertheless, the Company considers that the purpose of disclosure of pro forma information is to illustrate the isolated effect of the Disposal had the Disposal occurred on an earlier date at the beginning of the financial period reported on. This is usually complied based on the latest published financial statements at the relevant time of transfer of the Sale Share. In the present case, the transfer of the Sale Share had occurred in October 2021. The relevant financial period for the purpose of illustrating the impact of the transaction would be the financial year ended 31 December 2020 and six months ended 30 June 2021, which were the financial periods immediately prior to the transfer of the Sale Share. The 2021 and 2022 annual results, when published, will already have included the financial effect of the Disposal. Strict compliance with Rule 4.29(4) would not be meaningful or could even be misleading to the Shareholders.

As such, the Company is of the view that, the pro forma information, when read together with the financial information of the Target Group immediately prior to the Disposal as set out in Appendix II, would provide Shareholders with relevant and sufficient information for the Shareholders to understand the Disposal.

GENERAL

While the Company originally expected to despatch this circular to the Shareholders before 31 May 2022 as stated in the announcement of the Company dated 28 March 2022, the preparation of the circular has been delayed due to (i) unforeseen circumstances including for example the winding-up petition filed against the Company at the Grand Court of the Cayman Islands as disclosed in the announcement of the Company dated 27 May 2022; and (ii) substantial resources and effort of the Group had been prioritised to the proposed restructuring of the offshore debts of the Group, which will assist the Group in attaining a more stable capital structure that is crucial to the long term business and operations of the Group, and in turn is of paramount importance to the stakeholders of the Group. The progress made to the offshore debt restructuring has been disclosed in the announcement of the Company dated 5 May 2023.

The notice of EGM is set out in pages EGM-1 to EGM-2 of this circular. At the EGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve and ratify, the Share Transfer Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

LETTER FROM THE BOARD

Any Shareholders who have a material interest in the Share Transfer Agreement, the Supplemental Agreement and the transactions contemplated thereunder are required to abstain from voting on the relevant ordinary resolution approving the Disposal.

To the best of the Directors' knowledge and belief and having made all reasonable enquires, no Shareholder has a material interest in the Disposal, thus no Shareholder is required to abstain from voting on the relevant ordinary resolution approving and ratifying the Disposal.

RECOMMENDATION

The Directors consider that the Disposal is fair and reasonable and in the best interest of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favor of the relevant resolution to be proposed at the EGM as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
FANTASIA HOLDINGS GROUP CO., LIMITED
花樣年控股集團有限公司
Pan Jun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

As at the Latest Practicable Date, the audit of the 2021 annual results, the 2022 annual results and the review of the 2022 interim results are on-going. The Company expects to publish its outstanding financial statements in August 2023. With respect to the latest status of the offshore debts restructuring of the Group, please refer to the announcements of the Company dated 13 January 2023, 31 March 2023, 25 April 2023 and 5 May 2023.

Transfer of the Sale Share took place in October 2021, had this circular been prepared and published at the relevant time of the transfer, the circular would contain the financial information of the Group for the financial years set out below.

Details of the audited consolidated financial information of the Company for the three years ended 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021 have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.cnfantasia.com>):

- the annual report of the Company for the year ended 31 December 2018 (pages 73 to 245) published on 8 April 2019, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0408/lt201904081089.pdf>

- the annual report of the Company for the year ended 31 December 2019 (pages 78 to 262) published on 17 April 2020, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0417/2020041701646.pdf>

- the annual report of the Company for the year ended 31 December 2020 (pages 67 to 247) published on 21 April 2021, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0421/2021042101174.pdf> and

- the interim report of the Company for the six months ended 30 June 2021 (pages 42 to 87) published on 23 September 2021, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092301454.pdf>

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

At the close of business on 31 May 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Circular, the Group had outstanding indebtedness as follows:

Senior notes and bonds, assets backed securities issued, borrowings, amounts due to non-controlling shareholders of subsidiaries, joint ventures, associates and related parties:

| | 31 May 2023 |
|---------------------------------|--------------------------|
| | <i>RMB million</i> |
| Senior notes and bonds | 34,303 |
| Assets backed securities issued | 255 |
| Borrowings | <u>18,473</u> |
| Total borrowings | <u><u>53,031</u></u> |
| Secured borrowings | 49,299 |
| Unsecured borrowings | <u>3,732</u> |
| | <u><u>53,031</u></u> |
| Guaranteed borrowings | 45,589 |
| Unguaranteed borrowings | <u>7,442</u> |
| | <u><u>53,031</u></u> |

The security provided by the Group of the above-mentioned borrowings of the Group were certain land use rights, properties for sale, property plant and equipment, pledged bank deposits and equity interests of certain subsidiaries of the Company. The guaranteed borrowings of the Group were guaranteed by the Company and certain subsidiaries of the Company.

Other than above, the Group had amounts due to non-controlling shareholders of subsidiaries of RMB45 million, amounts due to joint ventures of RMB411 million and amounts due to associates of RMB652 million at 31 May 2023, which were unsecured and unguaranteed.

Lease liabilities

As at 31 May 2023, we, as a lessee, had outstanding lease payments which represented undiscounted unpaid lease payments for the remaining terms of relevant lease agreements (excluding our contingent rental arrangements) in an aggregate amount of RMB83 million, of which RMB0 million is secured by rental deposits and unguaranteed, RMB0 million is unsecured and guaranteed by the Company, and the remaining RMB83 million is unsecured and unguaranteed.

Financial guarantees and contingent liabilities

As at 31 May 2023, the Group had a total amount of contingent liabilities of RMB15,519 million, details as below:

As at 31 May 2023, the Group provided guarantees amounting to RMB10,298 million given to banks for mortgage facilities granted to purchasers of the Group's properties for sales. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate.

The Group provided guarantees on several basis covering its respective equity shares of outstanding obligations under the bank borrowings incurred by the joint ventures, associates and supplier of an associate for developing their projects. As at 31 May 2023, the Group's aggregate shares of such guarantees provided in respective of loans borrowed by these joint ventures amounted to RMB1,859 million, associates amounted to RMB3,202 million, and supplier of an associate amounted to RMB160 million.

Save as disclosed above, the Group did not, as of the close of business on 31 May 2023, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits or hire purchase commitments, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors are of opinion that, after due and careful enquiry and taking into account the Share Transfer Agreement and the transactions contemplated thereunder, the financial resources available to the Group including the internally generated funds and the available banking facilities and assuming the success of restructuring of offshore debts, effective cost control on project development and coming project sustainable development, the Group will have sufficient working capital for at least the next 12 months commencing from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, save as disclosed below, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Reference is made to the announcements of the Company dated 25 November 2021 and 27 May 2022 respectively in relation to the winding-up petition against a major subsidiary of the Company and the Company, respectively. The winding-up petition against the subsidiary of the Company was dismissed at the High Court of Hong Kong on 18 July 2023. The winding-up petition against the Company was withdrawn by consent at the Grand Court of Cayman Islands on 20 July 2023.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Although the PRC government provides supporting policies on the demand side to boost buying sentiment and gradually loosen the supply side restrictions, the management believes it takes time to restore the confidence of creditors and home buyers. In the short term, the pressure of deleveraging inventories still exists and the suppressed buying sentiments will take time to recover.

The Company has focused, and will continue to focus, on completion and delivery of its property projects, implementing measures to accelerate the sale of properties under development and completed properties, and controlling administrative costs and capital expenditure, resolutely taking measures to execute non-core asset disposal and downsize the business to optimal scale to enable a successful debts restructuring with creditors. The Group believes the above strategies will enhance its resilience to overcome the difficulties.

Up to the Latest Practicable Date, the key milestones achieved by the Group are set out below.

| Date | Milestone |
|-----------------|---|
| 13 January 2023 | the restructuring support agreement (the “ RSA ”) was signed by, among others, the Company and an ad-hoc group of holders of approximately 24.5% of the aggregate outstanding principal amount of the Group’s US\$ denominated senior notes. |
| 25 April 2023 | holders representing 71.69% of the Company’s existing debt instruments have acceded to the RSA. |
| 5 May 2023 | holders representing 76.44% of the Company’s existing debt instruments have acceded to the RSA. |
| 18 July 2023 | the winding-up petition against a major subsidiary of the Company was dismissed at the High Court of Hong Kong. |
| 20 July 2023 | the winding-up petition against the Company was withdrawn by consent at the Grand Court of Cayman Islands. |

The Company expects to publish all its outstanding financial information in August 2023.

Barring unforeseen circumstances, the Company will strive to fulfil all the conditions and resume trading in its shares as soon as practicable.

As to the proposed restructuring, as at the Latest Practicable Date, the Company has been in active discussions with all the offshore creditors (including the petitioner of the Hong Kong and Cayman Islands petitions) on the implementation of a consensual restructuring plan, the Company has already obtained broad support from the Company’s offshore creditors as evidenced from the proportion of offshore creditors acceding to the RSA. It is expected that the proposed restructuring will be implemented by way of parallel schemes of arrangement in Hong Kong and the Cayman Islands, and/or other applicable jurisdictions Company’s existing debt instruments have acceded to the RSA. The Company will make further announcements in connection with the detailed terms of the proposed restructuring in due course.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited condensed consolidated statements of financial position of the Target Group as at December 2018, 2019, 2020 and September 2021, and the unaudited condensed consolidated profit and loss accounts, the unaudited condensed consolidated statements of comprehensive income, unaudited condensed consolidated statements of changes in equity and unaudited condensed consolidated cash flow statements of the Target Group for the years ended 31 December 2018, 2019 and 2020 and for the periods ended 30 September 2020 and 2021 (the “**Historical Financial Information**”).

The Historical Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal.

The Unaudited Financial Information of the Target Group has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules and prepared on the basis set out in note 2 to the Unaudited Financial Information and is prepared by the Directors solely for the purposes of inclusion in this circular in connection with the disposal of the equity interest in Link Joy Holdings Group Co., Limited.

Prism Hong Kong and Shanghai Limited, the auditor of Colour Life Services Group Co., Limited (the “**Company**”) was engaged to review the Unaudited Financial Information of the Target Group set out on pages II-1 to II-8 of this circular in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review on the Unaudited Financial Information of the Target Group, nothing has come to the auditor’s attention that causes them to believe that the Unaudited Financial Information of the Target Group is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information of the Target Group.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THREE YEARS ENDED 31 DECEMBER 2020 AND THE PERIOD ENDED
30 SEPTEMBER 2021**

| | Year ended 31 December | | | Period ended 30 September | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2018 | 2019 | 2020 | 2020 | 2021 |
| | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Unaudited) |
| Revenue from contracts with customers | 2,282,921 | 2,489,520 | 2,489,499 | 1,787,538 | 1,943,980 |
| Cost of services | <u>(1,660,683)</u> | <u>(1,776,849)</u> | <u>(1,786,170)</u> | <u>(1,276,172)</u> | <u>(1,416,657)</u> |
| Gross profit | 622,238 | 712,671 | 703,329 | 511,366 | 527,323 |
| Other income | 10,188 | 25,716 | 40,006 | 33,225 | 13,846 |
| Other gains and losses | 7,624 | (900) | (1,714) | (1,420) | 1,852 |
| Impairment losses under expected credit loss model, net of reversal | (12,891) | (13,316) | (9,011) | (9,669) | (12,739) |
| Administrative expenses | <u>(159,469)</u> | <u>(138,218)</u> | <u>(149,931)</u> | <u>(91,149)</u> | <u>(104,586)</u> |
| Profit before tax | 467,690 | 585,953 | 582,679 | 442,353 | 425,696 |
| Income tax expense | <u>(106,772)</u> | <u>(148,707)</u> | <u>(133,283)</u> | <u>(110,435)</u> | <u>(103,167)</u> |
| Profit and total comprehensive income for the year/period | <u><u>360,918</u></u> | <u><u>437,246</u></u> | <u><u>449,396</u></u> | <u><u>331,918</u></u> | <u><u>322,529</u></u> |

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2018, 2019 AND 2020 AND 30 SEPTEMBER 2021

| | 2018 RMB'000 (Unaudited) | 31 December 2019 RMB'000 (Unaudited) | 2020 RMB'000 (Unaudited) | 30 September 2021 RMB'000 (Unaudited) |
|---|--------------------------------|---|--------------------------------|--|
| Non-current Assets | | | | |
| Property, plant and equipment | 113,284 | 91,252 | 76,444 | 91,450 |
| Right-of-use Assets | – | – | 5,616 | 6,138 |
| Investment properties | 77,593 | 117,156 | 118,316 | 122,370 |
| Goodwill | 1,430,545 | 1,430,545 | 1,430,545 | 1,430,545 |
| Intangible assets | 1,014,323 | 945,325 | 876,327 | 824,579 |
| Deferred tax assets | 29,391 | 38,608 | 49,517 | 52,233 |
| | <u>2,665,136</u> | <u>2,622,886</u> | <u>2,556,765</u> | <u>2,527,315</u> |
| Current Assets | | | | |
| Trade receivables | 398,893 | 459,603 | 441,572 | 493,841 |
| Other receivables and prepayments | 250,718 | 255,050 | 266,078 | 266,827 |
| Payments on behalf of residents | 267,741 | 281,151 | 285,707 | 371,061 |
| Amounts due from related parties | 332,673 | 353,575 | 1,217,068 | 1,012,803 |
| Financial assets at fair value through profit or loss | 4,281 | – | – | – |
| Pledged bank deposits | – | – | 14,937 | 14,937 |
| Bank balances and cash | 1,920,482 | 1,088,275 | 302,088 | 67,731 |
| | <u>3,174,788</u> | <u>2,437,654</u> | <u>2,527,450</u> | <u>2,227,200</u> |
| Current Liabilities | | | | |
| Trade payables | 365,794 | 291,266 | 310,883 | 418,857 |
| Other payables and accruals | 539,827 | 599,670 | 568,221 | 469,016 |
| Contract liabilities | 186,586 | 241,614 | 286,860 | 270,927 |
| Receipts on behalf of residents | 276,284 | 353,440 | 328,935 | 273,521 |
| Amounts due to related parties | 676,199 | 284,430 | 154,777 | 75,487 |
| Tax liabilities | 49,633 | 68,711 | 75,428 | 76,733 |
| Borrowings due within one year | 744,600 | 300,000 | – | – |
| Lease liabilities due within one year | – | – | 2,531 | 2,714 |
| | <u>2,838,923</u> | <u>2,139,131</u> | <u>1,727,635</u> | <u>1,587,255</u> |
| Net Current Assets | <u>335,865</u> | <u>298,523</u> | <u>799,815</u> | <u>639,945</u> |
| Total Assets Less Current Liabilities | <u>3,001,001</u> | <u>2,921,409</u> | <u>3,356,580</u> | <u>3,167,260</u> |
| Non-current Liabilities | | | | |
| Deferred tax liabilities | 255,546 | 238,708 | 221,373 | 209,178 |
| Borrowings due after one year | 1,000,000 | 500,000 | 500,000 | – |
| Lease liabilities due after one year | – | – | 3,110 | 3,456 |
| | <u>1,255,546</u> | <u>738,708</u> | <u>724,483</u> | <u>212,634</u> |
| Net Assets | <u>1,745,455</u> | <u>2,182,701</u> | <u>2,632,097</u> | <u>2,954,626</u> |
| Capital and Reserves | | | | |
| Share capital | – | – | – | – |
| Reserves | 1,745,455 | 2,182,701 | 2,632,097 | 2,954,626 |
| | <u>1,745,455</u> | <u>2,182,701</u> | <u>2,632,097</u> | <u>2,954,626</u> |

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE YEARS ENDED 31 DECEMBER 2020 AND THE PERIOD ENDED 30 SEPTEMBER 2021

| | Share capital <i>RMB'000</i> (Unaudited) | Statutory reserve <i>RMB'000</i> (Unaudited) | Other reserve <i>RMB'000</i> (Unaudited) | Retained profits <i>RMB'000</i> (Unaudited) | Total <i>RMB'000</i> (Unaudited) |
|--|---|---|---|--|--|
| At 1 January 2018 | – | 39,643 | 276,164 | 1,105,307 | 1,421,114 |
| Profit and total comprehensive income for the year | – | – | – | 360,918 | 360,918 |
| Dividends paid to shareholders of subsidiaries | – | – | – | (36,577) | (36,577) |
| Transfer | – | 36,092 | – | (36,092) | – |
| At 31 December 2018 | – | 75,735 | 276,164 | 1,393,556 | 1,745,455 |
| Profit and total comprehensive income for the year | – | – | – | 437,246 | 437,246 |
| Transfer | – | 43,724 | – | (43,724) | – |
| At 31 December 2019 | – | 119,459 | 276,164 | 1,787,078 | 2,182,701 |
| Profit and total comprehensive income for the year | – | – | – | 449,396 | 449,396 |
| Transfer | – | 44,940 | – | (44,940) | – |
| At 31 December 2020 | – | 164,399 | 276,164 | 2,191,534 | 2,632,097 |
| Profit and total comprehensive income for the period | – | – | – | 322,529 | 322,529 |
| Transfer | – | 32,253 | – | (32,253) | – |
| As at 30 September 2021 | – | 196,652 | 276,164 | 2,481,810 | 2,954,626 |
| At 1 January 2020 | – | 119,459 | 276,164 | 1,787,078 | 2,182,701 |
| Profit and total comprehensive income for the period | – | – | – | 331,918 | 331,918 |
| Transfer | – | 27,560 | – | (27,560) | – |
| As at 30 September 2020 | – | 147,019 | 276,164 | 2,091,436 | 2,514,619 |

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE YEARS ENDED 31 DECEMBER 2020 AND THE PERIOD ENDED 30 SEPTEMBER 2021

| | Year ended 31 December | | | Period ended 30 September | |
|--|------------------------|-----------------|------------------|---------------------------|----------------|
| | 2018 | 2019 | 2020 | 2020 | 2021 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| OPERATING ACTIVITIES | | | | | |
| Profit before tax | 467,690 | 585,953 | 582,679 | 442,353 | 425,696 |
| Adjustments for: | | | | | |
| Impairment losses, net of reversal | 12,891 | 13,316 | 9,011 | 9,669 | 12,739 |
| Depreciation of property, plant and equipment | 39,745 | 34,413 | 32,049 | 34,071 | 36,228 |
| Depreciation of right-of-use assets | – | – | 1,567 | 895 | 2,052 |
| Amortisation of intangible assets | 68,998 | 68,998 | 68,998 | 51,748 | 51,748 |
| Interest income | (9,839) | (14,185) | (15,080) | (14,633) | (491) |
| Loss on disposal of property, plant and equipment | 72 | 440 | 124 | 103 | 138 |
| Changes in fair value of investment properties | (3,347) | (1,646) | 344 | 258 | (2,969) |
| | <u>467,690</u> | <u>585,953</u> | <u>582,679</u> | <u>442,353</u> | <u>425,696</u> |
| Operating cash flows before movements in working capital | 576,210 | 687,289 | 679,692 | 524,464 | 525,141 |
| (Increase) decrease in trade receivables | (36,234) | (103,822) | 4,683 | (32,655) | (63,163) |
| Decrease (increase) in other receivables and prepayments | 219,746 | (4,332) | 30,516 | 8,976 | (749) |
| Changes in payments/receipts on behalf of residents | (186,964) | 55,369 | (53,824) | (229,099) | (150,734) |
| (Decrease) increase in contract liabilities | (191,889) | 55,028 | 45,246 | 25,555 | (15,933) |
| Increase (decrease) in trade payables | 160,029 | (74,528) | 19,617 | 82,700 | 107,974 |
| Increase (decrease) in other payables and accruals | 9,378 | 35,106 | (72,680) | (129,811) | (180,006) |
| | <u>550,276</u> | <u>650,110</u> | <u>653,250</u> | <u>250,130</u> | <u>222,530</u> |
| Cash generated from operations | 550,276 | 650,110 | 653,250 | 250,130 | 222,530 |
| Income taxes paid | (85,168) | (130,947) | (128,851) | (113,655) | (101,299) |
| | <u>465,108</u> | <u>519,163</u> | <u>524,399</u> | <u>136,475</u> | <u>121,231</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u>465,108</u> | <u>519,163</u> | <u>524,399</u> | <u>136,475</u> | <u>121,231</u> |
| INVESTING ACTIVITIES | | | | | |
| Interest received | 9,839 | 14,185 | 15,080 | 14,633 | 491 |
| Purchase of property, plant and equipment | (50,048) | (14,387) | (18,414) | (25,234) | (52,536) |
| Proceeds of disposal of property, plant and equipment | 1,786 | 1,566 | 1,049 | 929 | 1,164 |
| Proceeds on disposal of investment properties | – | 256 | 1,324 | 4,740 | 476 |
| Increase in pledged bank deposits | – | – | (14,937) | (14,937) | – |
| Proceeds on disposal of financial assets at FVTPL | (4,281) | 4,281 | – | – | – |
| Advances to related parties | (281,882) | (72,709) | (842,492) | (440,060) | (706,900) |
| Repayment from related parties | 567,403 | 51,807 | 178,999 | 54,728 | 911,165 |
| | <u>242,817</u> | <u>(15,001)</u> | <u>(679,391)</u> | <u>(405,201)</u> | <u>153,860</u> |
| NET CASH FROM (USED IN) INVESTING ACTIVITIES | <u>242,817</u> | <u>(15,001)</u> | <u>(679,391)</u> | <u>(405,201)</u> | <u>153,860</u> |

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

| | Year ended 31 December | | | Period ended 30 September | |
|---|-------------------------|-------------------------|------------------------|---------------------------|------------------------|
| | 2018 | 2019 | 2020 | 2020 | 2021 |
| | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) | RMB'000 (Unaudited) |
| FINANCING ACTIVITIES | | | | | |
| Payment of lease liabilities | – | – | (1,754) | (1,002) | (2,329) |
| Dividend paid to shareholders of the Company | (36,577) | – | – | – | – |
| Advances from related parties | 644,506 | 300,573 | 547 | 820 | 52,220 |
| Repayment to related parties | <u>(628,613)</u> | <u>(1,636,942)</u> | <u>(629,988)</u> | <u>(686,387)</u> | <u>(559,339)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(20,684)</u> | <u>(1,336,369)</u> | <u>(631,195)</u> | <u>(686,569)</u> | <u>(509,448)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 687,241 | (832,207) | (786,187) | (955,295) | (234,357) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD | <u>1,233,241</u> | <u>1,920,482</u> | <u>1,088,275</u> | <u>1,088,275</u> | <u>302,088</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD, REPRESENTED BY BANK BALANCES AND CASH | <u><u>1,920,482</u></u> | <u><u>1,088,275</u></u> | <u><u>302,088</u></u> | <u><u>132,980</u></u> | <u><u>67,731</u></u> |

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

NOTES TO UNAUDITED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Link Joy Holdings Group Co., Limited (the “**Target Company**”) was incorporated in the Cayman Island on 16 June 2015 with limited liability. The principal activity of the Target Company is investment holding. The subsidiaries of the Target Company are mainly engaged in the provision of property management services.

The immediate holding company of the Target Company is Colour Life Services Group Co., Limited, a company which was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The holding company of the Target Company is Fantasia Holdings Group Co., Limited, a company which was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

On 28 September 2021, Colour Life Services Group Co., Limited (the “**Vendor**”) and Country Garden Property Services HK Holdings Company Limited (the “**Purchaser**”) had entered into an equity transfer agreement, pursuant to which the Vendor has conditionally agreed to sell the entire equity interests (the “**Sale Share**”) in the Target Company and the Purchaser has conditionally agreed to acquire the Sale Share at the consideration of RMB3,300,000,000 (the “**Disposal**”).

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The financial information of the Target Group for the three years ended 31 December 2020 and the period ended 30 September 2021 (the “**Relevant Period**”) (“**Unaudited Financial Information**”) has been prepared in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the very substantial disposal of the entire issued share capital of the Target Company on 25 July 2023.

The Target Group was formed specifically for the Disposal through a series of internal reorganisation. Since the Target Company and its subsidiaries are under common control by the Company, the reorganisation during the Relevant Period has been accounted for as business combination under common control in accordance with Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). As a result, the Unaudited Financial Information has been prepared as if the present group structure had been in place throughout the Relevant Period.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET GROUP

The Unaudited Financial Information has been prepared using the same accounting policies as those adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 and the condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2021, which conform with Hong Kong Financial Reporting Standards issued by the HKICPA. The Unaudited Financial Information neither contains sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA. It should be read in connection with the Company’s relevant published annual financial statements.

3. RELATED PARTY BALANCES

The amounts due from/to related parties are unsecured, interest-free, repayable on demand and non-trade in nature.

4. PLEDGE OF ASSETS

The following assets were pledged to secure the asset-backed securities issued by a fellow subsidiary of the Target Group at the end of the reporting period:

| | At 31 December | | | At |
|-------------------|----------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 30 September |
| | RMB'000 | RMB'000 | RMB'000 | 2021 |
| | | | | RMB'000 |
| Trade receivables | <u>39,483</u> | <u>61,613</u> | <u>57,400</u> | <u>72,689</u> |

**(A) THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP**

In connection with the proposed disposal of the equity interest of Target Company by Colour Life Services Group Co., Limited, a non-wholly owned subsidiaries of Fantasia Holdings Group Co., Limited, the unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the proposed Disposal on the Group's financial position as at 30 June 2021 and the Group's financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had been completed at 30 June 2021 and 1 January 2020, respectively.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021, which has been extracted from the published interim report of the Company for the six months ended 30 June 2021.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020, which have been extracted from the published annual report of the Company for the year ended 31 December 2020.

The unaudited pro forma financial information of the Remaining Group has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and solely for the purpose to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2021; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January 2020.

The unaudited pro forma financial information of the Remaining Group is prepared based on the aforesaid historical data after giving effect to the Pro forma adjustments described in the accompanying notes. Narrative description of the Pro forma adjustments of the proposed Disposal that are (i) directly attributable to the transaction; and (ii) factually supportable, is summarised in the accompanying notes.

The unaudited pro forma financial information of the Remaining Group has been prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the unaudited pro forma financial information of the Remaining Group may not purport to predict what the financial position of the Remaining Group would have been if the Disposal had been completed at 30 June 2021 or at any future dates, or what the financial results and cash flows of the Remaining Group for the year ended 31 December 2020 or for any future periods would have been if the Disposal had been completed at 1 January 2020.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and the financial information of the Target Group as set out in Appendix II to this circular respectively, and other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION OF THE REMAINING GROUP

AS AT 30 JUNE 2021

| | Pro forma adjustments | | | | The Remaining Group RMB'000 |
|--|----------------------------------|--|---------------------|---------------------|--------------------------------------|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 2) | RMB'000 (Note 3) | RMB'000 (Note 4) | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 1,125,014 | (91,450) | | | 1,033,564 |
| Right-of-use assets | 641,131 | (6,138) | | | 634,993 |
| Investment properties | 9,746,425 | (122,370) | | | 9,624,055 |
| Interests in associates | 3,517,100 | – | | | 3,517,100 |
| Interests in joint ventures | 4,831,601 | – | | | 4,831,601 |
| Equity instruments designated at FVTOCI | 47,409 | – | | | 47,409 |
| Goodwill | 2,753,853 | (1,430,545) | | | 1,323,308 |
| Intangible assets | 1,032,904 | (824,579) | | | 208,325 |
| Other receivables | 703,763 | – | | | 703,763 |
| Contract assets | 6,733 | – | | | 6,733 |
| Amounts due from related parties | 365,979 | – | | | 365,979 |
| Pledged bank deposits | 540,394 | – | | | 540,394 |
| Deposits paid for potential acquisitions of subsidiaries and investments in associates and joint ventures | 3,652,205 | – | | | 3,652,205 |
| Deferred tax assets | 665,731 | (52,233) | | | 613,498 |
| | 29,630,242 | (2,527,315) | | | 27,102,927 |
| CURRENT ASSETS | | | | | |
| Properties for sale | 38,597,073 | – | | | 38,597,073 |
| Contract assets | 823,621 | – | | | 823,621 |
| Contract costs | 392,384 | – | | | 392,384 |
| Trade and other receivables | 5,096,657 | (1,131,729) | | | 3,964,928 |
| Tax recoverable | 32,501 | – | | | 32,501 |
| Amounts due from related parties | 4,007,154 | (1,012,803) | | 309,731 | 3,304,082 |
| Restricted/pledged bank deposits | 3,864,440 | (14,937) | | | 3,849,503 |
| Bank balances and cash | 27,177,862 | (67,731) | 3,287,200 | | 30,397,331 |
| | 79,991,692 | (2,227,200) | | | 81,361,423 |

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP

| | Pro forma adjustments | | | | The Remaining Group RMB'000 |
|---|----------------------------------|--|---------------------|---------------------|--------------------------------------|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 2) | RMB'000 (Note 3) | RMB'000 (Note 4) | |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 10,223,994 | (1,161,394) | | | 9,062,600 |
| Contract liabilities | 12,157,490 | (270,927) | | | 11,886,563 |
| Derivative financial instruments | 99,114 | – | | | 99,114 |
| Amounts due to related parties | 1,156,859 | (75,487) | | 309,731 | 1,391,103 |
| Tax liabilities | 6,450,912 | (76,733) | 33,257 | | 6,407,436 |
| Borrowings due within one year | 8,478,383 | – | | | 8,478,383 |
| Lease liabilities due within one year | 67,667 | (2,714) | | | 64,953 |
| Senior notes and bonds due within one year | 10,986,416 | – | | | 10,986,416 |
| Asset-backed securities issued | 12,581 | – | | | 12,581 |
| | <u>49,633,416</u> | <u>(1,587,255)</u> | | | <u>48,389,149</u> |
| NET CURRENT ASSETS | <u>30,358,276</u> | <u>(639,945)</u> | | | <u>32,972,274</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>59,988,518</u> | <u>(3,167,260)</u> | | | <u>60,075,201</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Derivative financial instruments | 21,231 | – | | | 21,231 |
| Deferred contribution | 32,242 | – | | | 32,242 |
| Deferred tax liabilities | 1,076,692 | (209,178) | | | 867,514 |
| Borrowings due after one year | 8,371,958 | – | | | 8,371,958 |
| Lease liabilities due after one year | 232,941 | (3,456) | | | 229,485 |
| Asset-backed securities issued | 255,000 | – | | | 255,000 |
| Senior notes and bonds due after one year | 23,383,819 | – | | | 23,383,819 |
| | <u>33,373,883</u> | <u>(212,634)</u> | | | <u>33,161,249</u> |
| NET ASSETS | <u>26,614,635</u> | <u>(2,954,626)</u> | | | <u>26,913,952</u> |
| CAPITAL AND RESERVES | | | | | |
| Share capital | 498,787 | | | | 498,787 |
| Reserves | <u>13,838,952</u> | | <u>299,317</u> | | <u>14,138,269</u> |
| Equity attributable to owners of the Company | 14,337,739 | | | | 14,637,056 |
| Non-controlling interests | <u>12,276,896</u> | | | | <u>12,276,896</u> |
| | <u>26,614,635</u> | | | | <u>26,913,952</u> |

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Pro forma adjustments | | | The Remaining Group RMB'000 |
|--|----------------------------------|--|---------------------|--------------------------------------|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 5) | RMB'000 (Note 6) | |
| Revenue | | | | |
| Contracts with customers | 21,586,402 | (2,489,499) | | 19,096,903 |
| Leases | <u>172,442</u> | <u>–</u> | | <u>172,442</u> |
| Total revenue | 21,758,844 | (2,489,499) | | 19,269,345 |
| Cost of sales and services | <u>(16,414,675)</u> | <u>1,786,170</u> | | <u>(14,628,505)</u> |
| Gross profit | 5,344,169 | (703,329) | | 4,640,840 |
| Other income | 240,461 | (40,006) | | 200,455 |
| Other gains and losses | 2,457,241 | 1,714 | | 2,458,955 |
| Impairment losses under expected credit loss model, net of reversal | (98,522) | 9,011 | | (89,511) |
| Change in fair value of investment properties | 129,399 | – | | 129,399 |
| Selling and distribution expenses | (494,623) | – | | (494,623) |
| Administrative expenses | (1,652,591) | 149,931 | | (1,502,660) |
| Finance costs | (2,902,766) | – | | (2,902,766) |
| Share of results of associates | 31,420 | – | | 31,420 |
| Share of results of joint ventures | 2,642 | – | | 2,642 |
| Net gain on disposal of subsidiaries | <u>869,283</u> | <u>–</u> | 1,104,499 | <u>1,973,782</u> |
| Profit before tax | 3,926,113 | (582,679) | | 4,447,933 |
| Income tax expense | <u>(2,174,797)</u> | <u>133,283</u> | <u>(110,450)</u> | <u>(2,151,964)</u> |
| Profit for the year | <u>1,751,316</u> | <u>(449,396)</u> | | <u>2,295,969</u> |
| Other comprehensive income (expense) | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | |
| Fair value change on hedging instruments designated as cash flow hedges | <u>10,706</u> | <u>–</u> | | <u>10,706</u> |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Fair value gain on equity instruments designated at FVTOCI | 2,866 | – | | 2,866 |
| Deferred taxation effect | <u>(716)</u> | <u>–</u> | | <u>(716)</u> |
| | <u>2,150</u> | <u>–</u> | | <u>2,150</u> |

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

| | <u>Pro forma adjustments</u> | | | The Remaining Group RMB'000 |
|---|---|--|-----------------------------|--|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 5) | RMB'000 (Note 6) | |
| Other comprehensive income for the year, net of income tax | <u>12,856</u> | <u>–</u> | <u>–</u> | <u>12,856</u> |
| Total comprehensive income for the year | <u>1,764,172</u> | <u>(449,396)</u> | <u>994,049</u> | <u>2,308,825</u> |
| Profit for the year attributable to: | | | | |
| Owners of the Company | 977,420 | (449,396) | 994,049 | 1,522,073 |
| Other non-controlling interests | <u>773,896</u> | <u>–</u> | <u>–</u> | <u>773,896</u> |
| | <u>1,751,316</u> | <u>(449,396)</u> | | <u>2,295,969</u> |
| Total comprehensive income for the year attributable to: | | | | |
| Owners of the Company | 989,244 | (449,396) | 994,049 | 1,533,897 |
| Other non-controlling interests | <u>774,928</u> | <u>–</u> | <u>–</u> | <u>774,928</u> |
| | <u>1,764,172</u> | <u>(449,396)</u> | | <u>2,308,825</u> |

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF
THE REMAINING GROUP

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Pro forma adjustments | | | | The Remaining Group RMB'000 |
|--|----------------------------------|--|---------------------|---------------------|--------------------------------------|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 5) | RMB'000 (Note 6) | RMB'000 (Note 7) | |
| OPERATING ACTIVITIES | | | | | |
| Profit before tax | 3,926,113 | (582,679) | | | 3,343,434 |
| Adjustments for: | | | | | |
| Change in fair value of investment properties | (129,399) | (344) | | | (129,743) |
| Change in fair value of financial assets at FVTPL | (677,894) | - | | | (677,894) |
| Amortisation of intangible assets | 138,685 | (68,998) | | | 69,687 |
| Depreciation of property, plant and equipment | 230,102 | (32,049) | | | 198,053 |
| Depreciation of right-of-use assets | 100,199 | (1,567) | | | 98,632 |
| Share-based payment expenses | 6,698 | - | | | 6,698 |
| Loss on disposal of property, plant and equipment | 5,915 | (124) | | | 5,791 |
| Gain on disposal of subsidiaries, associates and joint ventures | (869,283) | - | | | (869,283) |
| Gain on remeasurement of interests in associates and joint ventures | (193,995) | - | | | (193,995) |
| Impairment losses under expected credit loss model, net of reversal | 98,522 | (9,011) | | | 89,511 |
| Impairment of property, plant and equipment | 15,029 | - | | | 15,029 |
| Interest income | (154,776) | 15,080 | | | (139,696) |
| Finance costs | 2,902,766 | - | | | 2,902,766 |
| Loss on repurchase/early redemption of senior notes and bonds and asset-backed securities issued | 5,467 | - | | | 5,467 |
| Net foreign exchange (gain) loss | (1,773,297) | - | | | (1,773,297) |
| Fair value change on hedging instruments | 174,890 | - | | | 174,890 |
| Share of results of associates | (31,420) | - | | | (31,420) |
| Share of results of joint ventures | (2,642) | - | | | (2,642) |
| Operating cash flows before movements in working capital | 3,771,680 | (679,692) | | | 3,091,988 |
| Increase in properties for sale | (1,213,956) | - | | | (1,213,956) |
| Decrease in inventories | 42,623 | - | | | 42,623 |
| Decrease in trade and other receivables | 2,966,334 | 18,625 | | | 2,984,959 |
| Decrease in contract costs | 62,266 | - | | | 62,266 |
| Increase in contract assets | (58,859) | - | | | (58,859) |
| Increase in trade and other payables | 4,954,473 | 53,063 | | | 5,007,536 |
| Decrease in contract liabilities | (2,304,196) | (45,246) | | | (2,349,442) |
| Increase in provisions | 1,717 | - | | | 1,717 |
| Others | (1,179) | - | | | (1,179) |
| Cash generated from operations | 8,220,903 | 653,250 | | | 7,567,653 |
| Income tax paid | (1,161,349) | 128,851 | | | (1,032,498) |
| Interest paid | (3,507,511) | - | | | (3,507,511) |
| NET CASH FROM OPERATING ACTIVITIES | 3,552,043 | (524,399) | | | 3,027,644 |

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

| | <u>Pro forma adjustments</u> | | | | The Remaining Group RMB'000 |
|---|---|--|-----------------------------|-----------------------------|--|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 5) | <i>RMB'000 (Note 6)</i> | <i>RMB'000 (Note 7)</i> | |
| INVESTING ACTIVITIES | | | | | |
| Placement of restricted/pledged bank deposits | (2,592,555) | 14,937 | | | (2,577,618) |
| Withdrawal of restricted/pledged bank deposits | 1,443,270 | - | | | 1,443,270 |
| Settlement of consideration receivables of disposal of subsidiaries | 24,301 | - | | | 24,301 |
| Purchases of property, plant and equipment | (148,384) | 18,414 | | | (129,970) |
| Payments for right-of-use assets | (17,048) | - | | | (17,048) |
| Proceeds from disposal of property, plant and equipment | 182,955 | (1,049) | | | 181,906 |
| Additions to investment properties | (810,997) | - | | | (810,997) |
| Proceeds from disposal of investment properties | 1,289,422 | (1,324) | | | 1,288,098 |
| Purchases of financial assets at FVTPL | (7,409) | - | | | (7,409) |
| Redemption of financial assets at FVTPL | 35,354 | - | | | 35,354 |
| Purchases of equity instruments designated at FVTOCI | 10 | - | | | 10 |
| Proceeds from disposal of equity instruments designated at FVTOCI | 8,360 | - | | | 8,360 |
| Acquisition of associates and joint ventures | (3,852) | - | | | (3,852) |
| Capital injection to associates and joint ventures | (2,540,890) | - | | | (2,540,890) |
| Disposal of associates and joint ventures | 1,848 | - | | | 1,848 |
| Acquisition of property projects and other assets and liabilities through acquisition of subsidiaries (net of cash and cash equivalents acquired) | 63,768 | - | | | 63,768 |
| Deposits paid for potential acquisition of subsidiaries and investments in associates and joint ventures | (3,799,733) | - | | | (3,799,733) |
| Deposit refunded for acquisition of subsidiaries | 595 | - | | | 595 |
| Disposal of subsidiaries (net of cash and cash equivalent disposed of) | (46,910) | - | 3,287,200 | | 3,240,290 |
| Deemed disposal of partial interests in a subsidiary without loss of control | 190,420 | - | | | 190,420 |
| Disposal of partial interests in subsidiaries resulting in loss of control | (1,448,186) | - | | | (1,448,186) |
| Dividend received from joint ventures and associates | 540 | - | | | 540 |
| Interest received | 107,562 | (15,080) | | | 92,482 |
| Advance of loan receivables | (198,588) | - | | | (198,588) |
| Repayment of loan receivables | 165,513 | - | | | 165,513 |
| Advances to related parties | (6,356,314) | 842,492 | | (835,949) | (6,349,771) |
| Repayment from related parties | 2,819,554 | (178,999) | | 596,594 | 3,237,149 |
| NET CASH FROM (USED IN) INVESTING ACTIVITIES | <u>(11,637,394)</u> | <u>679,391</u> | | | <u>(7,910,158)</u> |

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

| | <u>Pro forma adjustments</u> | | | | The Remaining Group RMB'000 |
|--|---|--|---------------------|---------------------|---|
| | The Group RMB'000 (Note 1) | The Target Group RMB'000 (Note 5) | RMB'000 (Note 6) | RMB'000 (Note 7) | |
| FINANCING ACTIVITIES | | | | | |
| Net proceeds from the issuance of senior notes and bonds | 19,344,195 | – | | | 19,344,195 |
| Repayment of senior notes and bonds | (5,554,627) | – | | | (5,554,627) |
| Repurchase/early redemption of senior notes and bonds | (889,584) | – | | | (889,584) |
| Repayment of principal receipts under securitisation arrangements | (85,740) | – | | | (85,740) |
| New borrowings raised | 8,461,135 | – | | | 8,461,135 |
| Repayment of borrowings | (10,575,737) | – | | | (10,575,737) |
| Repayment of lease liabilities | (130,786) | 1,754 | | | (129,032) |
| Issue of shares upon exercise of share options | 2,110 | – | | | 2,110 |
| Dividend paid to shareholders of the Company | (288,384) | – | | | (288,384) |
| Dividend paid to non-controlling shareholders of the subsidiaries | (26,112) | – | | | (26,112) |
| Contributions from non-controlling shareholders of the subsidiaries | 1,976,167 | – | | | 1,976,167 |
| Acquisition of additional interest in subsidiaries | (9,909) | – | | | (9,909) |
| Advances from related parties | 1,474,816 | (547) | | 835,949 | 2,310,218 |
| Repayments to related parties | (984,086) | 629,988 | | (596,594) | (950,692) |
| NET CASH FROM FINANCING ACTIVITIES | <u>12,713,458</u> | <u>631,195</u> | <u>–</u> | | <u>13,584,008</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 4,628,107 | 786,187 | 3,287,200 | | 8,701,494 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 20,379,733 | (1,088,275) | | | 19,291,458 |
| Effect of foreign exchange rate changes | (84,457) | – | | | (84,457) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash | <u>24,923,383</u> | <u>(302,088)</u> | <u>3,287,200</u> | | <u>27,908,495</u> |

Notes:

- (1) The unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021 is extracted from the interim report of the Company for the six months ended 30 June 2021 and its audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows for the year ended 31 December 2020 are extracted from the annual report of the Company for the year ended 31 December 2020.
- (2) The adjustment represents the exclusion of the assets and liabilities of the Target Group as at 30 June 2021, assuming the Disposal had taken place on 30 June 2021. The assets and liabilities of the Target Group are extracted from the unaudited condensed consolidated statement of financial position of the Target Group set out in Appendix II to this circular.

- (3) The adjustments reflect the cash consideration received upon completion of the Disposal of RMB3,300,000,000 and pro forma gain on Disposal of RMB299,317,000. The calculation of the pro forma gain on Disposal is stated as follows, assuming the Disposal had taken place on 30 September 2021:

| | <i>RMB'000</i> |
|--|-------------------------|
| Calculation of pro forma gain on Disposal | |
| Cash consideration | 3,300,000 |
| Less: Estimated professional fees and other expenses directly attributable to the Disposal (<i>note b</i>) | (12,800) |
| Less: Net assets of the Target Group as at 30 September 2021 (<i>note a</i>) | <u>(2,954,626)</u> |
| Gain on Disposal before income tax | 332,574 |
| Less: Estimated income tax expense regarding the Disposal (<i>note c</i>) | <u>(33,257)</u> |
| Gain on Disposal | <u><u>299,317</u></u> |
| Gain on Disposal attributable to: | |
| Owners of the Company | 299,317 |
| Other non-controlling interests | <u>—</u> |
| | <u><u>299,317</u></u> |
| Cash received upon the Disposal | 3,300,000 |
| Less: Estimated professional fees and other expenses directly attributable to the Disposal (<i>note b</i>) | <u>(12,800)</u> |
| Net proceeds arising on Disposal upon completion as at 30 June 2021 | <u><u>3,287,200</u></u> |

Notes:

- (a) The amount represents the net assets of the Target Group as at 30 June 2021 as extracted from the unaudited consolidated statement of financial position of the Target Group as at 30 September 2021 set out in Appendix II to this circular.
- (b) The adjustment represents the recognition of the estimated transactions costs of approximately RMB12,800,000, including but not limited to legal and professional fees, directly attributable to the Disposal as estimated by the Directors.
- (c) The amount represents the estimated income tax payable to the PRC tax authority in relation to the gain on the Disposal, which is calculated based on a tax rate of 10%.
- (4) The adjustment represents the elimination of intercompany balances between the Target Group and the Remaining Group.
- (5) The adjustment represents the exclusion of the results of the operation and cash flows of the Target Group for the year ended 31 December 2020, assuming the Disposal had taken place on 1 January 2020. The results of the operation and cash flows of the Target Group are extracted from the unaudited consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2020 set out in Appendix II to this circular.

- (6) The adjustments reflect the gain on disposal of the Target Group by the Group, assuming the Disposal had taken place on 1 January 2020:

| | <i>RMB'000</i> |
|--|-------------------------|
| Calculation of pro forma gain on Disposal | |
| Cash consideration | 3,300,000 |
| Less: Estimated professional fees and other expenses directly attributable to the Disposal (<i>note b</i>) | (12,800) |
| Less: Net assets of the Target Group as at 1 January 2020 (<i>note a</i>) | <u>(2,182,701)</u> |
| Gain on Disposal before income tax | 1,104,499 |
| Less: Estimated income tax expense regarding the Disposal (<i>note c</i>) | <u>(110,450)</u> |
| Gain on Disposal | <u><u>994,049</u></u> |
| Gain on Disposal attributable to: | |
| Owners of the Company | 994,049 |
| Other non-controlling interests | <u>—</u> |
| | <u><u>994,049</u></u> |
| Cash received upon the Disposal | 3,300,000 |
| Less: Estimated professional fees and other expenses directly attributable to the Disposal (<i>note b</i>) | <u>(12,800)</u> |
| Net proceeds arising on Disposal upon completion as at 1 January 2020 | <u><u>3,287,200</u></u> |

Notes:

- (a) The amount represents the net assets of the Target Group as at 1 January 2020 as extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 December 2019 set out in Appendix II to this circular.
- (b) The adjustment represents the recognition of the estimated transactions costs of approximately RMB12,800,000, including but not limited to legal and professional fees, directly attributable to the Disposal as estimated by the Directors.
- (c) The amount represents the estimated income tax payable to the PRC tax authority in relation to the gain on the Disposal, which is calculated based on a tax rate of 10%.
- (7) The adjustment represents the adjustments of cash flows between the Target Group and the Remaining Group.
- (8) Other than set out above, no other adjustment has been made to reflect any trading results, cash flows or other transactions of the Group entered into subsequent to 30 June 2021 or 1 January 2020, respectively, for the preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2021 or the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2020. These Pro forma adjustments will not have any continuing effect on the Remaining Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants of the Company, Prism Hong Kong and Shanghai Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Remaining Group.

The Directors

Fantasia Holdings Group Co., Limited

Block A, Funian Plaza, Shihua Road and Zijing Road
Interchange in Futian Duty-free Zone, Shenzhen 518048
Guangdong Province, China

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Fantasia Holdings Group Co., Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2021, the unaudited pro forma consolidated statement of cash flows for the six months ended 30 June 2021, and related notes as set out on pages III-1 to III-11 of the investment circular in connection with disposal of equity interests in Link Joy Holdings Group Co., Limited. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Note 1 to 8.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the disposal of equity interest in Link Joy Holdings Group Co., Limited (the “**Disposal**”) on the Group’s financial position as at 30 June 2021 and the Group’s financial performance and cash flows for the six months ended 30 June 2021 as if the Disposal had taken place at 30 June 2021 and 1 January 2021 respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the directors of the Company from the Group’s financial statement for the six months ended 30 June 2021, on which an audit report has been published.

Directors' Responsibility for the Unaudited pro forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Auditing and Assurance Standards Board (“**IAASB**”), which is founded on fundamental principles of integrity, objectivity professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the IAASB. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Prism Hong Kong and Shanghai Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

25 July 2023

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules (the “**Model Code**”).

(i) Long positions in the shares and underlying shares of the Company

| Director | Nature of interest | Interest in ordinary shares of the Company | Interest in underlying Shares of the Company | Approximate percentage of interest in the Company as at Latest Practicable Date |
|--------------------|------------------------------------|--|--|---|
| Ms. Zeng Jie, Baby | Interest of controlled corporation | 3,314,090,500 ⁽¹⁾ | – | 57.41% |

Notes:

- (1) These shares are owned by Fantasy Pearl International Limited (“**Fantasy Pearl**”), which is owned as to 80% by Ice Apex Limited (“**Ice Apex**”) and 20% by Graceful Star Overseas Limited (“**Graceful Star**”). Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) As at the Latest Practicable Date, the number of issued shares of the Company was 5,772,597,864.

(ii) Long positions in the debentures of the Company

| Name of Director | Nature of interest | Debentures that are interested in | Principal amount of the debentures held | Approximate percentage of the interest in the debentures as at Latest Practicable Date |
|--------------------|------------------------------------|---|---|--|
| Ms. Zeng Jie, Baby | Interest of controlled corporation | 9.875% senior notes due 2023 issued by the Company | US\$3,000,000 ⁽¹⁾ | 0.94% |
| | Interest of controlled corporation | 10.875% senior notes due 2024 issued by the Company | US\$4,000,000 ⁽²⁾ | 1.6% |
| Mr. Guo Shaomu | Beneficial owner | 7.95% senior notes due 2022 issued by the Company | US\$200,000 | 0.067% |

Notes:

- (1) The debentures are held by Fantasy Pearl, which is indirectly owned as to 80% by Ms. Zeng Jie, Baby.
- (2) These comprise: (i) US\$2,000,000 held by Fantasy Pearl; and (ii) US\$2,000,000 held by Baocollection Limited, a company wholly owned by Ms. Zeng Jie, Baby.

(iii) Long positions in associated corporations**A. Fantasy Pearl**

| Director | Nature of interest | Number of shares | Description of shares | Approximate percentage of interest in the associated corporation as at the Latest Practicable Date |
|--------------------|------------------------------------|-------------------|-----------------------|--|
| Ms. Zeng Jie, Baby | Interest of controlled corporation | 80 ⁽¹⁾ | Ordinary | 80% |
| Mr. Pan Jun | Interest of controlled corporation | 20 ⁽¹⁾ | Ordinary | 20% |

Notes:

- (1) These are shares held by Ice Apex in Fantasy Pearl and Ice Apex is wholly owned by Ms. Zeng Jie, Baby.
- (2) These are shares held by Graceful Star in Fantasy Pearl and Graceful Star is wholly owned by Mr. Pan Jun.

B. Colour Life

| Director | Nature of interest | Number of shares | Description of shares | Approximate percentage of interest in the associated corporation as at Latest Practicable Date |
|--------------------|---|--------------------------|-----------------------|--|
| Ms. Zeng Jie, Baby | Interest of controlled corporation ⁽¹⁾⁽²⁾⁽³⁾ | 1,013,643,318 | Ordinary | 68.14% |
| Mr. Pan Jun | Beneficial owner | 1,755,440 ⁽⁴⁾ | Ordinary | 0.12% |

Note:

- (1) The interests are held as to 780,104,676 shares by the Company, as to 231,235,846 shares by Splendid Fortune Enterprise Limited (“**Splendid Fortune**”) and as to 2,302,796 shares by Fantasy Pearl.
- (2) The Company is owned as to 57.41% by Fantasy Pearl, which is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by the Company for the purpose of Part XV of the SFO.
- (3) Splendid Fortune is 67.36% owned by Delight Vision Holdings Limited and 32.64% owned by Colour Success Limited. Delight Vision Holdings Limited is indirectly wholly-owned by Ms. Zeng Jie, Baby. Accordingly, Ms. Zeng Jie, Baby is deemed to be interested in the shares of Colour Life held by Splendid Fortune for the purpose of Part XV of the SFO.
- (4) These represent share options granted by Colour Life subject to vesting schedules.

C. *Shenzhen Caizhiyun Network Technology Co., Ltd. (“Caizhiyun Network”)*

| Director | Nature of interest | Amount of equity interest held | Approximate percentage of interest in the associated corporation as at the Latest Practicable Date |
|-------------|--------------------|--------------------------------|--|
| Mr. Pan Jun | Beneficial owner | RMB7,000,000 ⁽¹⁾ | 70% |

Note:

- (1) Caizhiyun Network is owned as to 70% by Mr. Pan Jun and 30% by Mr. Tang Xuebin. The financial results of Caizhiyun Network have been consolidated and accounted for as a subsidiary of Colour Life by virtue of certain structured contracts, details of which are disclosed in the section headed “History, Reorganization and the Group Structure” in Colour Life’s prospectus dated 17 June 2014.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders’ interests and short positions

| Name of Shareholders | Nature of interest | Number of shares | Approximate percentage of interest in our Company as at the Latest Practicable Date |
|--|------------------------------------|-------------------|---|
| Fantasy Pearl | Beneficial owner | 3,314,090,500 (L) | 57.41% |
| Ice Apex ⁽¹⁾ | Interest of controlled corporation | 3,314,090,500 (L) | 57.41% |
| TCL Technology Group Corporation ⁽²⁾ (formerly known as TCL Corporation) | Interest of controlled corporation | 1,012,740,000 (L) | 17.54% |

(L) denotes long position

Notes:

- (1) Fantasy Pearl is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) Based on the publicly available information, Li Rong Development Limited held 1,012,740,000 shares of the Company representing 17.54% interest in the Company. Li Rong Development Limited is wholly owned by TCL Technology Investments Limited which is in turn wholly owned by TCL Technology Group Corporation. TCL Technology Group Corporation is deemed to be interested in the shares held by Li Rong Development Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, no other persons or companies (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which were recorded in the register kept by the Company pursuant to section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into any service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

5. MATERIAL CONTRACTS

Except as disclosed below, no other contract (not being a contract entered into in the ordinary course of business) has been entered into by any member of the Group within the two years preceding the date of this circular and is or may be material.

- (i) the restructuring support agreement dated 13 January 2023 entered into between (among others) the Company and an ad-hoc group of holders of US\$ denominated senior notes in the aggregate principal amount of US\$4,018 million issued by the Company;
- (ii) the Supplemental Agreement;
- (iii) the Loan Agreement;
- (iv) the Share Transfer Agreement; and
- (v) an equity acquisition agreement dated 19 May 2022 and a debt confirmation agreement dated 19 May 2022 entered into between (among others) 中交美廬(杭州)置業有限公司 (CCCG Meilu (Hangzhou) Real Estate Co., Ltd.*) (as purchaser) and 紹興花美房地產開發有限公司 (Shaoxing Huamei Real Estate Development Co., Ltd.*) and 上海花樣年房地產開發有限公司 (Shanghai Fantasia Real Estate Development Co., Ltd.*) (together as vendors), both are indirect wholly-owned subsidiary of the Company, respectively, in relation to the sale of 51% registered capital in 中交花創(紹興)置業有限公司 (CCCG Huachuang (Shaoxing) Real Estate Co., Ltd.*) and the assignment of debt to the purchaser.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any material litigation or arbitration proceedings nor is any material litigation or claim pending or threatened against it.

7. EXPERT AND CONSENT**(a) Qualification of Expert**

Set out below is the qualification of the expert who has given an opinion contained in this circular:

| Name | Qualification |
|---|---|
| Prism Hong Kong and Shanghai Limited | Certified Public Accountants, Hong Kong |

(b) Interests of Expert

As at the Latest Practicable Date, the abovementioned expert was not interested in any securities of any member of the Group or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and the abovementioned expert did not have any direct or indirect interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company have been made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

(c) Consent

The abovementioned expert has given and has not withdrawn its written consent to the issue of this circular and the inclusion of its reports and/or references to its name in the form and context in which they respectively appear in this circular.

8. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of the Group.

9. GENERAL

- (a) The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (b) The principal place of business of the Company in Hong Kong is at 21/F., CMA Building, 64 Connaught Road Central, Hong Kong.
- (c) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Ms. Yeung Lee. Ms. Yeung is a Chartered Secretary, a Chartered Governance Professional, and an associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as Institute of Chartered Secretaries and Administrators) in the United Kingdom. She obtained a Bachelor of Science degree from the Hong Kong University of Science and Technology and has extensive experience in company secretarial, corporate governance and compliance matters.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

10. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.cnfantasia.com/>) for a period of 14 days from the date of this circular:

- (a) the report from Prism Hong Kong and Shanghai Limited on the Unaudited Pro Forma Financial Information of the Remaining Group, the text of which is set out in Appendix III of this circular;
- (b) the financial information of the Target Group, the text of which is set out in Appendix II of this circular;
- (c) the material contracts referred to in the section headed "Material Contracts" of this Appendix; and
- (d) the written consent referred to in the section headed "Expert and Consent" of this Appendix.

NOTICE OF EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of Fantasia Holdings Group Co., Limited (the “**Company**”) will be held at Imagination Room, BOHUB, 5/F., Tower A, The Platinum Tower, No. 1 Tairan 7th Road, Futian District, Shenzhen, the PRC on Friday, 8 September 2023 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution (with or without modifications):

ORDINARY RESOLUTION

“**THAT**

- (a) the agreement (the “**Agreement**”) dated 28 September 2021 and the supplemental agreement (the “**Supplemental Agreement**”) dated 28 March 2022 entered into among Colour Life Services Group Co., Limited, Country Garden Property Services HK Holdings Company Limited, 深圳市彩生活服務集團有限公司 (Shenzhen Colour Life Services Group Co., Ltd.*) and Link Joy Holdings Group Co., Limited in relation to the transfer of the entire issued share capital of Link Joy Holdings Group Co., Limited (as supplemented and amended from time to time), a copy of each of which is tabled at the meeting and marked “A” and signed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised to, on behalf of the Company, do all such acts and sign, seal, execute and deliver all such documents and take all such actions as he/she may consider necessary, appropriate, desirable or expedient for the purpose of or in connection with or to give effect to the Agreement and the Supplemental Agreement and the transactions contemplated thereunder.”

By Order of the Board
FANTASIA HOLDINGS GROUP CO., LIMITED
花樣年控股集團有限公司

Pan Jun
Chairman

Hong Kong, 25 July 2023

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies (if holding two or more shares) to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
3. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or any adjourned meeting thereof should he so wishes and in such event, the form of proxy shall be deemed to be revoked.
4. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purposes seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
5. The register of members of the Company will be closed from Monday, 4 September 2023 to Friday, 8 September 2023, both days inclusive, during which period no transfer of shares will be registered.
6. In order to qualify as shareholders to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 1 September 2023.
7. A form of proxy for use at the EGM is enclosed.