

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

**DISCLOSEABLE TRANSACTION
FURTHER INFORMATION IN RELATION TO
DISCLOSEABLE TRANSACTION –
DISPOSAL OF NINGBO COMPANY**

THE DISPOSAL

On 29 January 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Target Company, among others, entered into the Agreement with the Purchaser, the Yuexiu Shareholder and Guangzhou Urban Development under which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan for an aggregated consideration of RMB200,000,000.

The Sale Shares represent 41% of the registered capital of the Target Company. The Target Company indirectly holds certain land located in Chongqing.

LISTING RULES IMPLICATION

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

INTRODUCTION

On 29 January 2022, the Vendor and the Target Company, among others, entered into the Agreement with the Purchaser, the Yuexiu Shareholder and Guangzhou Urban Development in respect of the Disposal. The salient terms of the Agreement are summarized below:

Subject matter

The Vendor will sell the Sale Shares and the Sale Loan to the Purchaser. The Sale Shares represent 41% of the registered capital of the Target Company, and the Sale Loan is the shareholder's loan extended by the Vendor to the Target Company, which as at the date of the Agreement amounted to RMB72,055,700, representing principal amount of RMB63,139,400 and interest thereon.

Upon completion, the Group will cease to have any interest in the companies in the Target Group.

Consideration

The aggregate consideration payable by the Purchaser for the acquisition of the Sale Shares and the Sale Loan is RMB200,000,000, which comprises RMB127,944,300 for the Sale Shares and RMB72,055,700 for the Sale Loan.

The consideration was determined by the parties after arm's length negotiations with reference to (i) the paid up capital made by the Company to the Target Company of approximately RMB139 million; and (ii) the face value of the shareholder's loan of approximately RMB72 million.

The consideration will be payable in the following manner:

- (i) RMB140,000,000, representing 70% of the consideration, will be payable within 7 business days of the signing of the Agreement; and
- (ii) RMB60,000,000, representing the balance of the consideration, will be payable within 7 business days of completion of the registration of the transfer of the Sale Shares with the administrative authority for industry and commerce.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC. It holds 90% equity interest in the Subsidiary, and the Subsidiary in turn holds 90% interest in the Project Company, with Guangzhou Urban Development holding the remaining 10% interest in the Project Company. The Project Company holds a plot of land located in Yubei District of Chongqing (重慶市渝北區), with an aggregate area of approximately 81,827 sq.m. The land could be used for the development of residential and commercial properties, and offices.

The financial results of the Target Company for the six months ended 30 June 2021 are summarised below:

	From the date of establishment to 30 June 2021 RMB
Loss before tax	310,000
Loss after tax	310,000

The unaudited net assets of the Target Company as at 31 December 2021 were approximately RMB411,958,000.

Subject to final audit, it is expected that the Company will realise a loss on Disposal of approximately RMB5,000,000.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

Reference is made to the announcement of the Company dated 26 October 2021 and 9 November 2021 in relation to the measures to be adopted by the Company to ease its liquidity issue. The Disposal is one of the measures being implemented by the Company to ease its liquidity issue.

The proceeds from the Disposal will be used for general working capital purposes and repayment of debt.

The Directors (including the independent non-executive Director) consider that the Disposal was fair and reasonable and in the interests of the Company and all the stakeholders as a whole.

INFORMATION ON THE PARTIES

The Company

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.

The Vendor

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

The Target Company

The Target Company is a limited liability company established in the PRC on 30 November 2020 and is principally engaged in the business of investment holding. It is owned as to 41% by the Vendor, as to 42% by 重慶標智企業管理有限公司 (Chongqing Biaozi Enterprise Management Co., Ltd.*), and as to 17% by the Yuexiu Shareholder as at the date of this announcement.

The Subsidiary

The Subsidiary is a limited liability company established in the PRC and is an intermediate holding company. It is owned as to 90% by the Target Company and as to 10% by the Yuexiu Shareholder.

The Project Company

The Project Company is a limited liability company established in the PRC and is principally engaged in the business of property development. The Project Company is owned as to 90% by the Subsidiary and as to 10% by Guangzhou Urban Development.

The Purchaser

The Purchaser is a limited liability company established in the PRC and is principally engaged in investment holding. It is an indirect subsidiary of 廣州越秀集團股份有限公司 (Guangzhou Yuexiu Group Co., Ltd.), a State-owned enterprise under the Guangzhou Municipal People's Government and is principally engaged in property development, infrastructure and financial products investments.

Yuexiu Shareholder

The Yuexiu Shareholder is a limited liability company established in the PRC, and is principally engaged in investment holding. It is an indirect subsidiary of 廣州越秀集團股份有限公司 (Guangzhou Yuexiu Group Co., Ltd.), a State-owned enterprise under the Guangzhou Municipal People's Government.

Guangzhou Urban Development

Guangzhou Urban Development is a limited liability company established in the PRC and is principally engaged in the business of property development. It is an indirect subsidiary of Guangzhou Yuexiu Group Co., Ltd.

To the best knowledge of the Directors, having made reasonable enquiry, each of the Purchaser, the Yuexiu Shareholder and Guangzhou Urban Development and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

LISTING RULES IMPLICATIONS

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

FURTHER INFORMATION IN RELATION TO DISPOSAL OF NINGBO COMPANY

Reference is made to the announcement of the Company dated 10 December 2021 (the “**Announcement**”) in relation to, among others, the Ningbo Disposal. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcement.

The Company would like to supplement that, to the best of knowledge of the Company, the general partner of the purchaser of the Ningbo Company is held as to 80% by Yang Genlian* (楊根連) and as to 20% by Yang Leilei* (楊蕾蕾). The purchaser of the Ningbo Company is held as to approximately 93.1% by Anhui Xingcheng New Equity Investment Partnership (Limited Partnership)* (安徽興誠新建股權投資合夥企業(有限合夥)), which in turn is held as to approximately 90% by Anhui Huibo Financial Information Service Co., Ltd.* (安徽匯博金融信息服務有限公司). Anhui Huibo Financial Information Service Co., Ltd.* (安徽匯博金融信息服務有限公司) is ultimately owned by Bozhou State-owned Assets Supervision and Administration Commission (亳州市國有資產監督管理委員會).

To the best of knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the general partner and limited partners of the purchaser and their respective ultimate beneficial owners are not connected persons of the Company.

DEFINITIONS

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

“Agreement”	the agreement dated 29 January 2022 between the Vendor, the Yuexiu Shareholder, the Target Company, the Subsidiary, the Project Company, the Purchaser and Guangzhou Urban Development in respect of the Disposal;
“Board”	the board of Directors;

“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);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Disposal”	the sale of the Sale Shares and the Sale Loan by the Vendor to the Purchaser;
“Group”	the Company and its subsidiaries;
“Guangzhou Urban Development”	廣州城建開發南沙房地產有限公司 (Guangzhou Urban Development Nansha Co., Ltd.*), a limited liability company established in the PRC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Project Company”	重慶越輝房地產開發有限公司 (Chongqing Yuehui Real Estate Development Co., Ltd.*), a limited liability company established in the PRC, and an indirect subsidiary of the Target Company;

“Purchaser”	佛山市弘輝房地產開發有限公司 (Foshan Honghui Real Estate Development Co., Ltd.), a limited liability company established in the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Loan”	the shareholder’s loan extended by the Vendor to the Target Company;
“Sale Shares”	41% of the registered capital in the Target Company;
“Shareholders”	shareholders of the Company;
“sq.m.”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	杭州樾盛房地產開發有限公司 (Hangzhou Yuesheng Real Estate Development Co., Ltd.*), a limited liability company established in the PRC, a subsidiary of the Target Company;
“Target Company”	廣州雲嘉經濟信息諮詢有限公司 (Guangzhou Yunjia Economic Information Consulting Co., Ltd.*), a limited liability company established in the PRC;
“Target Group”	the Target Company and its subsidiaries;
“Vendor”	成都樂渝置業有限公司 (Chengdu Leyu Property Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;

“Yuexiu Shareholder” 杭州燚樂實業投資有限公司 (Hangzhou Yile Industrial Investment Co., Ltd.*), a limited liability company established in the PRC; and

“%” per cent.

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

Hong Kong, 29 January 2022

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

* For identification only