

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.

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: 01777)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN
SUZHOU YINZHUANG**

The Board is pleased to announce that on 26 March 2013, Shenzhen Fantasia, a wholly-owned subsidiary of the Company, entered into the Share Transfer Framework Agreement with the Vendors and the Guarantors, pursuant to which (i) the First Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 13.3% of the equity interests in Suzhou Yinzhuan, (ii) the Second Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 20% of the equity interests in Suzhou Yinzhuan, (iii) the Third Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 66.7% of the equity interests in Suzhou Yinzhuan at the Consideration of approximately RMB511 million (equivalent to approximately HK\$634 million). The Guarantors have agreed to guarantee the performance of certain obligations of the Vendors under the Share Transfer Framework Agreement.

Suzhou Yinzhuan is principally engaged in property development and operation in the PRC and as the date of this announcement, Suzhou Yinzhuan owns the land use right (土地使用權) of the Guoxin Hotel South Land, which is currently subject to the Court Order.

As the applicable percentage ratio in respect of the Acquisition is above 5% but below 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the announcement requirement.

THE SHARE TRANSFER FRAMEWORK AGREEMENT

Date

26 March 2013

Parties

- (1) the First Vendor
- (2) the Second Vendor
- (3) the Third Vendor
- (4) the First Guarantor
- (5) the Second Guarantor
- (6) the Third Guarantor
- (7) Shenzhen Fantasia

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors and the Guarantors and their ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Share Transfer Framework Agreement, (i) the First Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 13.3% of the equity interests in Suzhou Yinzhuan, (ii) the Second Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 20% of the equity interests in Suzhou Yinzhuan, (iii) the Third Vendor has agreed to sell and Shenzhen Fantasia has agreed to purchase 66.7% of the equity interests in Suzhou Yinzhuan. The Guarantors have agreed to guarantee the performance of certain obligations of the Vendors under the Share Transfer Framework Agreement.

Upon completion of the Acquisition, Shenzhen Fantasia will hold the entire equity interests in Suzhou Yinzhuan, which in turn, will hold the land use rights (土地使用權) of the Guoxin Hotel South Land, which consists of two pieces of land with the land area of approximately 35,841 square meters and 37,218.3 square meters, respectively, for residential and commercial use.

The term of the land use rights (土地使用權) for the residential use and commercial use of the Guoxin Hotel South Land are 70 years and 40 years, respectively.

As at the date of this announcement, Suzhou Yinzhuan owns the land use rights (土地使用權) of the Guoxin Hotel South Land, which is currently subject to the Court Order.

Consideration

The Consideration for the Acquisition is approximately RMB511 million (equivalent to approximately HK\$634 million), consisting of (i) the Registered Capital Consideration, of which RMB100 million (equivalent to approximately HK\$124 million) is payable to the First Vendor and the Second Vendor, and RMB200 million (equivalent to approximately HK\$248 million) is payable to the Third Vendor; and (ii) the Debt Consideration which is payable to Suzhou Jiabao.

The Board is of the view that the Consideration is fair and reasonable and the Consideration was determined after arm's length negotiation between the parties with reference to the estimated market value of the Guoxin Hotel South Land and the net asset value of Suzhou Yinzhuan.

The Consideration shall be paid as follows:

- (1) within five (5) business days upon the signing of the relevant escrow agreements, Shenzhen Fantasia shall deposit RMB300 million (equivalent to approximately HK\$372 million) into the Second Escrow Account;
- (2) upon the completion of the relevant procedures for the release of the Court Order and the registration of change of equity interests in 66.7% equity interests in Suzhou Yinzhuan by the Third Vendor (which shall be completed within five(5) business days from the First Deposit Date, the Registered Capital Consideration payable to the Third Vendor in the amount of RMB200 million (equivalent to approximately HK\$248 million) and the Debt Consideration payable to the First Vendor and the Second Vendor in the amount of approximately RMB21.63 million (equivalent to approximately HK\$26.83 million) and to the Third Vendor in the amount of approximately RMB78.37 million (equivalent to approximately HK\$97.18 million), as instructed by Suzhou Jiabao, shall be released from the Second Escrow Account and paid to the Vendors accordingly;
- (3) upon (i) the completion of the release of the Court Order; (ii) the transfer of 66.7% equity interests in Suzhou Yinzhuan from the Third Vendor to Shenzhen Fantasia pursuant to the Share Transfer Framework Agreement; and (iii) the completion of the obligations of the First Vendor and the Second Vendor under the Share Transfer Framework Agreement (which shall be completed within seven (7) days from the First Deposit Date by Shenzhen Fantasia) and in any event no later than 20 May 2013, Shenzhen Fantasia shall deposit RMB211 million (equivalent to approximately HK\$262 million) into the First Escrow Account;

- (4) upon the completion of the relevant procedures for the transfer of ownership of Suzhou Yinzhuang and the Guoxin Hotel Land South, including the passing of seal, information, certificates and the accounts and the completion of the relevant procedures for the registration of change of equity interests in 33.3% equity interests in Suzhou Yinzhuang by the First Vendor and the Second Vendor, the Registered Capital Consideration payable to the First Vendor and the Second Vendor in the amount of RMB100 million (equivalent to approximately HK\$124 million) and the Debt Consideration in the amount of RMB111 million (equivalent to approximately HK\$138 million) payable to the First Vendor and the Second Vendor shall be released from the First Escrow Account and paid to the relevant Vendors accordingly.

The Consideration will be satisfied by internal funding sources of the Group.

Termination

The Share Transfer Framework Agreement shall be terminated if the parties fail to execute the relevant escrow agreements under the Share Transfer Framework Agreement by 15 April 2013 or Shenzhen Fantasia fails to deposit RMB300 million (equivalent to approximately HK\$372 million) into the Second Escrow Account by 30 April 2013.

Shenzhen Fantasia is entitled to terminate the Share Transfer Framework Agreement if, among others, it is aware of any material risks and legal issues relating to Suzhou Yinzhuang and the Guoxin Hotel South Land during the course of its due diligence exercise and the Vendors are in breach of the Share Transfer Framework Agreement. Upon the breach of the Share Transfer Framework Agreement, the First Vendor and the Second Vendor shall return the Consideration paid by Shenzhen Fantasia with interests together with a liquidated damages of RMB100 million (equivalent to approximately HK\$124 million) and the Third Vendor shall return the Consideration paid by Shenzhen Fantasia with interests.

The Vendors are entitled to terminate the Share Transfer Framework Agreement if, among others, Shenzhen Fantasia fails to pay the Consideration to the Escrow Accounts according to the Share Transfer Framework Agreement or fails to complete the Acquisition without valid reason, in which case Shenzhen Fantasia shall pay a liquidated damages of RMB100 million (equivalent to approximately HK\$124 million) to the Vendors.

INFORMATION ON THE COMPANY AND REASONS FOR THE ACQUISITION

The Group is a leading property developer and property related service provider in China. For four consecutive years from 2009 to 2012, members of the Group ranked among the China Top 100 Real Estate Developers (中國房地產百強企業) and the China Top 100 Property Management Companies (中國物業服務百強企業) by the China Real Estate Top 10 Research Team (中國房地產 Top 10 研究組). The Group was also ranked among the China Real Estate Top 100 Listed Companies (中國房地產上市公司百強) in 2011 and the Top 50 China Real Estate Listed Companies in terms of Comprehensive Strength (中國房地產上市公司綜合實力五十強) in 2011 and 2012 by the China Real Estate Research Institute, China Real Estate Association and China Real Estate Assessment Center. The Group first commenced its property development business in Shenzhen in 1996. Leveraging on the Group's broad experience and capabilities, the Group has successfully expanded into, and currently focuses its real estate activities in, four of the fastest-growing economic regions in China, including the Chengdu–Chongqing Economic Zone, the Pearl River Delta region, the Yangtze River Delta region and the Beijing–Tianjin metropolitan region.

The Group plans to continue to concentrate on these regions and intends to procure more low-cost land in each of these regions by adhering to the disciplined approach of the Group.

In order to enhance its position in the PRC property market, the Board believes that the Acquisition will provide a good opportunity for project development in Suzhou, the PRC. The Acquisition will allow the Company to further participate in real estate development in Suzhou, the PRC.

The Directors consider that the Share Transfer Framework Agreement and the transactions contemplated thereunder are on normal commercial terms after arm's length negotiation between the parties, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON SUZHOU YINZHUANG

Suzhou Yinzhuan is a limited liability company established in the PRC with a registered capital of RMB300 million (equivalent to approximately HK\$372 million). Suzhou Yinzhuan is principally engaged in property development and operation in the PRC. Suzhou Yinzhuan currently did not derive any income from its operation.

As at the date of this announcement, the assets of Suzhou Yinzhuan include, among others, (i) the construction land use rights of the Guoxin Hotel South Land; (ii) other receivable and payments; and (iii) bank balances and cash.

According to the audited financial information of Suzhou Yinzhuan prepared under the accounting principles generally accepted in the PRC for the two financial years ended 31 December 2012, its net profit before and after taxation and extraordinary items was Nil.

INFORMATION ON THE VENDORS AND THE GUARANTORS

To the best of the Directors' knowledge and belief, the Vendors are Independent Third Parties. The Second Vendor is principally engaged in business investments and the Third Vendor is principally engaged in the operation of service apartments and property management.

To the best of the Directors' knowledge and belief, the Guarantors are Independent Third Parties. The Third Guarantor is principally engaged in the business of acting performance.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio in respect of the Acquisition is above 5% but below 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Acquisition”	the acquisition of the entire equity interests in Suzhou Yin Zhuang pursuant to the Share Transfer Framework Agreement
“Board”	the board of Directors
“Company”	Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司), a company incorporated in the Cayman Islands, the securities of which are listed on the main board of the Stock Exchange
“Consideration”	the Registered Capital Consideration and the Debt Consideration
“Court Order”	the court order from the people’s court of Huqiu District, Suzhou, the PRC imposed on the Guoxin Hotel South Land due to the dispute between the First Vendor, the Second Vendor and the Third Vendor
“Debt Consideration”	approximately RMB211 (equivalent to approximately HK\$261) as a settlement of debt owed by Suzhou Yin Zhuang to Suzhou Jiabao
“Directors”	directors of the Company
“Escrow Accounts”	the First Escrow Account and/or the Second Escrow Account
“First Deposit Date”	the date on which RMB300 million (equivalent to approximately HK\$372 million) being deposited into the Second Escrow Account by Shenzhen Fantasia pursuant to the Share Transfer Framework Agreement
“First Escrow Account”	the escrow account to be jointly established by the First Vendor, the Second Vendor and Shenzhen Fantasia within three business days upon the signing of the Share Transfer Framework Agreement
“First Guarantor” or “Second Vendor”	Mr. Xu Yulin, an Independent Third Party
“First Vendor”	江蘇大辰有限公司 (Jiangsu Dachen Co., Ltd.*), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries

“Guarantors”	the First Guarantor, the Second Guarantor and the Third Guarantor
“Guoxin Hotel South Land”	the parcel of land located in Guoxin Hotel South, Waihai Street East, High Technology District, land no. 2005-B-62, consisting of two pieces of land with the land area of approximately 35,841 and 37,218.3 square meters, respectively, for residential and commercial use
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Registered Capital Consideration”	RMB300 million (equivalent to approximately HK\$372 million) as the share transfer consideration, which is equivalent to the registered capital of Suzhou Yinzhuan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Escrow Account”	the escrow account to be jointly established by the Third Vendor and Shenzhen Fantasia within three business days upon the signing of the Share Transfer Framework Agreement
“Second Guarantor”	Ms. Zhou Xuejin, an Independent Third Party
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.10 each in the Company
“Share Transfer Framework Agreement”	the Share Transfer Framework Agreement entered into among Shenzhen Fantasia, the Vendors and the Guarantors on 26 March 2013 in respect of the Acquisition

“Shenzhen Fantasia”	深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Limited*), a wholly-owned subsidiary of the Company and a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Jiabao”	蘇州嘉寶房地產有限公司 (Suzhou Jiabao Real Estate Company Limited*), a company established in the PRC with limited liability
“Suzhou Yin Zhuang”	蘇州銀莊置地有限公司 (Suzhou Yin Zhuang Land Company Limited*), a limited liability company which was established in the PRC and is owned as to 13.3% by the First Vendor, 20% by the Second Vendor and 66.7% by the Third Vendor
“Third Guarantor”	星工場國際娛樂(南京)有限公司 (Xing Gongchang International Entertainment (Nanjing) Company Limited*)
“Third Vendor”	天津洋聯房地產經營有限公司 (Tianjin Yanglian Property Operation Company Limited*), a company established in the PRC with limited liability
“Vendors”	the First Vendor, the Second Vendor and the Third Vendor
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at RMB1.00 = HK\$1.24.

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

Hong Kong, 26 March 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Pan Jun, Ms. Zeng Jie, Baby and Mr. Lam Kam Tong; and the independent non-executive Directors of the Company are Mr. Ho Man, Mr. Liao Martin Cheung Kong, JP, Mr. Huang Ming and Mr. Xu Quan.

* For identification purposes only