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花 樣 年

FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO POSSIBLE ACQUISITION OF
REAL ESTATE PROJECTS IN THE PRC**

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

The Board is pleased to announce that on 21 October 2013, the Company entered into the MOU with an Independent Third Party. Pursuant to the MOU, it is proposed that the Company or its affiliated company will acquire, and the Independent Third Party will sell or procure to be sold, all the equity interest in the Project Company and the benefit of the related indebtedness.

As the Proposed Acquisition may or may not proceed, Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

The Board is pleased to announce that on 21 October 2013, the Company entered into the MOU with an Independent Third Party in relation to the Proposed Acquisition.

THE MOU

Date

21 October 2013

Parties

- (1) the Company
- (2) the Independent Third Party

Assets to be acquired

Pursuant to the MOU, it is proposed that the Company or its affiliated company will acquire, and the Independent Third Party will sell or procure to be sold, all the equity interest in the Project Company and the benefit of the related indebtedness. The Project Company holds certain real estate projects for the development of residential and commercial properties in the PRC.

Due diligence

Pursuant to the MOU, the Company will conduct due diligence on the Project Company, its subsidiaries and their assets.

Consideration

The consideration for the Proposed Acquisition will be determined by the parties following due diligence and reference will be made to the net asset value of the Project Company and the amount of the indebtedness to be assigned. The consideration will be satisfied by the Company issuing consideration shares or a combination of consideration shares and cash or other means of payment, subject to further negotiations between the parties.

Legal effect

Save for the provisions on confidentiality and other ancillary provisions, the MOU does not constitute legal binding obligations on the parties. Unless the parties agree otherwise, the MOU will be terminated if the parties fail to enter into any definitive agreement within 60 days of the date of the MOU.

REASONS FOR THE PROPOSED ACQUISITION

The Group is a leading property developer and property related service provider in the PRC. The Board believes that the Proposed Acquisition will provide a good business opportunity in the real estate development in the PRC, and the Proposed Acquisition will allow the Company to further enhance its position in the property market in the PRC.

If the Proposed Acquisition materialises, it may constitute a discloseable transaction under Chapter 14 of the Listing Rules.

The Board considers that the entering into the MOU is in the interests of the Company and the Shareholders as a whole.

As the Proposed Acquisition may or may not proceed, Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

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

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| “Board” | 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 |
| “Directors” | directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | third party independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules) |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “MOU” | the memorandum of understanding dated 21 October 2013 entered into by the Company and an Independent Third Party |
| “PRC” | People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan |
| “Project Company” | the company established in the PRC with limited liability which holds certain real estate projects in the PRC, which is the subject of the MOU |
| “Proposed Acquisition” | the proposed acquisition of all the equity interest in the Project Company and the benefit of the related indebtedness as contemplated under the MOU |

“Shareholders” holders of the Shares
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“%” per cent.

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

Hong Kong, 21 October 2013

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