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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: 01777)**

**DISCLOSEABLE TRANSACTION IN RELATION TO  
THE ACQUISITION OF THE SALE SHARES**

**THE ACQUISITION**

The Board is pleased to announce that, on 18 May 2016 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Seller, the Purchaser Guarantor and the Seller Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Seller conditionally agreed to sell the Sale Shares.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements and is exempt from the Shareholders' approval requirement under the Listing Rules.

**As completion of the Acquisition is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed to completion. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

## **THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that, on 18 May 2016 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Seller, the Purchaser Guarantor and the Seller Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Seller conditionally agreed to sell the Sale Shares.

The principal terms of the Sale and Purchase Agreement are summarised as follows:

### **Date**

18 May 2016 (after trading hours of the Stock Exchange)

### **Parties**

- (i) the Purchaser;
- (ii) the Seller;
- (iii) the Purchaser Guarantor; and
- (iv) the Seller Guarantor.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller, the Seller Guarantor and their respective ultimate beneficial owner(s) are independent of the Company and its connected persons.

### **Subject matter**

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase and the Seller conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement, free from all encumbrances and together with all rights attached thereto.

## **Conditions precedent**

Completion of the Acquisition is subject to and conditional upon satisfaction or waiver of, among others, the following conditions precedent:

- (i) all representations and warranties of the Purchaser in the Sale and Purchase Agreement being true and correct in all material respects, and as of the Completion Date, will be true and correct in all material respects;
- (ii) the Purchaser having performed in all material aspects its obligations required to be performed prior to the Completion Date under the Sale and Purchase Agreement;
- (iii) the Purchaser having delivered to the Seller a certificate that the conditions in paragraphs (i) and (ii) above have been satisfied;
- (iv) the Purchaser having deposited the full Escrow Amount in the Escrow Account in accordance with the Sale and Purchase Agreement;
- (v) all representations and warranties of the Seller in the Sale and Purchase Agreement being true and correct in all material aspects, and as of the Completion Date, will be true and correct in all material aspects;
- (vi) the Seller having performed in all material aspects its obligations required to be performed prior to the Completion Date under the Sale and Purchase Agreement; and
- (vii) the Seller having delivered to the Purchaser a certificate that the conditions in paragraphs (v) and (vi) above have been satisfied.

In the event that any of the above conditions are not satisfied or waived before the Long Stop Date, the non-defaulting party shall have a right to terminate the Sale and Purchase Agreement.

In the event that the Purchaser fails to pay the full Escrow Amount to the Escrow Account in accordance with the Sale and Purchase Agreement, the Seller shall have a right to terminate the Sale and Purchase Agreement.

In the event that the Seller fails to complete the transfer of the Target Shares on the Completion Date, the Purchaser shall have a right to terminate the Sale and Purchase Agreement.

## **Consideration**

The total Transfer Price for the Acquisition shall be USD67,061,740 (being the equivalent of RMB438,825,200) and the Purchaser shall pay to the Target Company an amount equal to USD40,389,816 (being the equivalent of RMB264,294,800), which shall be applied for settlement of a debt due by the Target Company to an affiliate (of the Target Company). The aggregate consideration payable by the Purchaser as a result will be a total of USD107,451,556 (being the equivalent of RMB703,120,000). The aggregate consideration shall be payable by the Purchaser in cash in the following manner:

- (i) the aggregate amount of the consideration, shall be payable by the Purchaser to the Seller in US Dollars (after applying the Applicable Exchange Rate) on the second Business Day following the Pre-Closing Date by way of depositing the sum into the Escrow Account in accordance to the Sale and Purchase Agreement and the Escrow Agreement;
- (ii) on the Completion Date, after the Seller has presented to the escrow agent with an opinion signed by Maples and Calder that the Target Shares have been registered in the name of the Purchaser in the register of members of the Target Company:
  - the full amount of the Transfer Price (after deducting the Target Tax Payable) shall be released to the account designated by the Seller at the instruction of the Seller; and
  - the full amount of Target Tax Payable and the Payable to the Affiliate shall be automatically released to the Target Escrow Account.

The aggregate consideration was determined after arm's length negotiations between the Purchaser and the Seller after taking into account the assets and property owned by the Target Group in the PRC, and the current operations of the Target Group. The Directors consider that the aggregate consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Guarantee by the Purchaser Guarantor**

The Purchaser Guarantor irrevocably and unconditionally:

- (i) guarantees, as primary obligor, to the Seller the prompt and complete performance by the Purchaser of the Purchaser's obligations under the Sale and Purchase Agreement, and the Purchaser's obligation to indemnify the Seller as a result of breach of any of the aforementioned obligations; and
- (ii) undertakes with the Seller that if for any reason the Purchaser defaults in the performance of any of its obligations, the Company shall on demand by the Seller unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) such obligations.

## **Guarantee by the Seller Guarantor**

The Seller Guarantor irrevocably and unconditionally:

- (i) guarantees, as primary obligor, to the Purchaser the Seller's obligations under the Sale and Purchase Agreement; and
- (ii) undertakes with the Purchaser that if for any reason the Seller defaults in the performance of the foregoing obligation, the Seller Guarantor shall on demand by the Purchaser unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) such obligations.

## **Completion**

Upon the satisfaction or waiver of the conditions precedent in the Sale and Purchase Agreement, completion of the Acquisition shall take place on the Completion Date.

After the completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Purchaser and the financial results of the Target Group will be consolidated with those of the Group.

## **INFORMATION OF THE PARTIES**

The Seller is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the date of the Sale and Purchase Agreement, the Seller is the legal and beneficial owner of the entire issued share capital of the Target Company.

The Seller Guarantor is a company incorporated in Hong Kong and is principally engaged in investment holding. As at the date of the Sale and Purchase Agreement, the Seller Guarantor is the legal and beneficial owner of the entire issued share capital of the Seller.

The Target Company is an investment holding company incorporated in the Cayman Islands with limited liability. As at the date of the Sale and Purchase Agreement, the Target Company owns approximately 59.84% of the entire share capital of ASIMCO Tianwei, which in turn (i) holds a real estate ownership certificate in the PRC pursuant to which it owns the land use right for a term of 50 years with respect to a state-owned construction land designated for industrial use purposes, located at No. 3 Chengzhuang Road, Fengtai District, the PRC with site area of approximately 157,749.71 square meters; (ii) the entire share capital of Beijing Junhe; and (iii) the entire share capital of ASIMCO Tianjin. ASIMCO Tianjin in turns holds a real estate ownership certificate in the PRC pursuant to which it owns the land use right for a term of 50 years with respect to a state-owned land designated for industrial use purpose, located at the north of Huaning Road and the west of Yulong Road, Automobile Industrial Park, Wuqing District, the PRC with site area of approximately 81,332.7 square meters.

## REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company and its subsidiaries are a leading property developer and property related service provider in the PRC. The Purchaser is an indirect wholly-owned subsidiary of the Company which is principally engaged in investment holding.

By acquiring the Sale Shares, the Purchaser intends to indirectly acquire ASIMCO Tianwei (and the corresponding share capital of Beijing Junhe and ASIMCO Tianjin). The Acquisition is expected to create diversified business opportunities for the Company, and increase profitability of the Company by utilizing assets in Beijing, the PRC.

Based on the reasons and benefits discussed above, the Directors consider that the Sale and Purchase Agreement have been entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The financial information of the Target Company as extracted from the audited accounts is summarised as follows:

	<b>For the year ended 31 December 2014 (Audited) USD</b>	<b>For the year ended 31 December 2015 (Audited) USD</b>
Net profit/(loss) before and after taxation	0	0

The audited net asset value of the Target Company as at 31 December 2015 amounted to approximately USD45,905,000.

## LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under the Listing Rules.

**As completion of the Acquisition is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed to completion. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.**

## DEFINITIONS

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

- “Acquisition”** the proposed acquisition of the Sale Shares by the Purchaser from the Seller in accordance with the terms and conditions of the Sale and Purchase Agreement
- “Applicable Exchange Rate”** the average of the RMB/USD cross rate published by Financial Times Asia for the five Business Days prior to the date of the Sale and Purchase Agreement, being 6.5436
- “ASIMCO China”** ASIMCO (China) Limited (亞新科(中國)投資有限公司), a company established in the PRC
- “ASIMCO Tianjin”** ASIMCO Tianwei Fuel System (Tianjin) Co., Ltd. (亞新科天緯燃油系統(天津)有限公司), a company established in the PRC, and wholly-owned by ASIMCO Tianwei
- “ASIMCO Tianwei”** ASIMCO Tianwei Fuel Injection Equipment Stock Co., Ltd. (Beijing) (北京亞新科天緯油泵油嘴股份有限公司), a joint stock company established in the PRC, and is owned as to 59.84% by the Target Company
- “Beijing Junhe”** Jingwei Junhe Technology Co., Ltd. (Beijing) (北京經緯君和科技有限公司), a limited liability company established in the PRC, and wholly-owned by the ASIMCO Tianwei
- “Board”** the board of the Directors
- “Business Day(s)”** any day other than a Saturday, Sunday, or a day on which commercial banks in Beijing, or Hong Kong or the Cayman Islands are generally closed
- “Company”** Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
- “Completion Date”** a date within five Business Days after the Pre-Closing Date and the deposit of the full Escrow Amount in the Escrow Account by the Purchaser in accordance with the Sale and Purchase Agreement or such later date as agreed in writing by the Purchaser and the Seller

<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Director(s)”</b>	director(s) of the Company
<b>“Escrow Account”</b>	means the escrow account maintained by the parties to the Sale and Purchase Agreement with the escrow agent and jointly selected by such parties, pursuant to the Escrow Agreement
<b>“Escrow Agreement”</b>	means one or more escrow agreements executed among the Purchaser, the Seller and/or their respective affiliates and the escrow agent jointly selected by the parties to the Sale and Purchase Agreement, in accordance with the escrow arrangement set forth in the Sale and Purchase Agreement
<b>“Escrow Amount”</b>	the USD equivalent of the aggregate amount of the Transfer Price and the Payable to the Affiliate after applying the Applicable Exchange Rate
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Long Stop Date”</b>	30 June 2016
<b>“Payable to the Affiliate”</b>	means the amount payable by the Target Company to ASIMCO China, which shall be USD40,389,816 (being the equivalent of RMB264,294,800 after applying the Applicable Exchange Rate) as set out in the Sale and Purchase Agreement
<b>“Pre-Closing Date”</b>	a date which falls on the seventh Business Day following the execution of the Sale and Purchase Agreement or the second Business Day following the execution of the Escrow Agreement, whichever is later
<b>“PRC”</b>	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Purchaser”</b>	Prominent Sing Limited (萃聲有限公司), a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company



<b>“Purchaser Guarantor”</b>	Fantasia Investment Holdings Company Limited (香港花樣年投資控股集團有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sale and Purchase Agreement”</b>	the sale and purchase agreement dated 18 May 2016 and entered into between the Purchaser, the Seller, the Purchaser Guarantor and the Seller Guarantor in respect of the Acquisition
<b>“Sale Shares”</b>	a total of 100 ordinary shares of the Target Company, representing all the issued and outstanding shares of the Target Company
<b>“Seller”</b>	ASIMCO Technologies Group Limited, a company incorporated in the Cayman Islands
<b>“Seller Guarantor”</b>	亞新科工業技術香港有限公司 (ASIMCO Technologies Hong Kong Limited), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Seller
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.1 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Target Company”</b>	ASIMCO Investments III Ltd. (亞新科第三投資有限公司), a company incorporated in the Cayman Islands and a direct wholly-owned subsidiary of the Seller as at the date of the Sale and Purchase Agreement
<b>“Target Escrow Account”</b>	the escrow account under the name of the Target Company maintained by the parties to the Sale and Purchase Agreement with the escrow agent jointly selected by such parties, pursuant to the Escrow Agreement
<b>“Target Group”</b>	the Target Company and its subsidiaries (including each of ASIMCO Tianwei, Beijing Junhe and ASIMCO Tianjin)
<b>“Target Tax Payable”</b>	the estimated amount of tax payable by the Target Company which amounts to RMB3,180,355.97

“Transfer Price”	the consideration for the sale and purchase of the Sale Shares, which shall be USD67,061,740 (equivalent to RMB438,825,200 after applying the Applicable Exchange Rate) as set out in the Sale and Purchase Agreement
“US Dollars” or “USD”	United States Dollar, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 18 May 2016

*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; the non-executive Directors are Mr. Li Dong Sheng and Mr. Yuan Hao Dong and the independent non-executive Directors are Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu.*