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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)**

## **RESTRUCTURING OF OFFSHORE DEBT**

- (1) ISSUANCE OF SCHEME CREDITOR SHARES UNDER SPECIFIC MANDATE AND RELATED CONNECTED TRANSACTION**
- (2) ISSUANCE OF MANDATORY CONVERTIBLE BONDS DUE 2027 AND RELATED CONNECTED TRANSACTION**

- (3) ISSUANCE OF SHORT TERM NOTES DUE 2031 AND RELATED CONNECTED TRANSACTION**
- (4) ISSUANCE OF LONG TERM NOTES DUE 2034 AND RELATED CONNECTED TRANSACTION**
- (5) ISSUANCE OF SCHEME FEE SHARES UNDER SPECIFIC MANDATE AND RELATED CONNECTED TRANSACTION**
- (6) CONNECTED TRANSACTION IN RELATION TO CAPITALISATION OF SHAREHOLDER LOANS**
- (7) FULLY EXEMPT CONNECTED TRANSACTION IN RELATION TO FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER**
- (8) INCREASE IN AUTHORISED SHARE CAPITAL**

#### **1. SCHEME CREDITOR SHARES**

The Company proposes to allot and issue a total of 5,143,723,515 Scheme Creditor Shares at the issue price of HK\$1.52 per Share to the Subscribers on the Restructuring Effective Date. The Subscribers are Scheme Creditors who have validly elected or been assigned or re-allocated to Options 2 and 3 of the Scheme Consideration.

5,143,723,515 Scheme Creditor Shares respectively represent approximately (i) 89.11% of the number of issued Shares as at the date of this announcement; (ii) 47.12% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares; (iii) 28.39% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 26.51% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

## **2. MCB**

The Company proposes to issue the MCB in the total principal amount of USD501,183,055 with an initial MCB Conversion Price of HK\$1.52 per Share to the Subscribers on the Restructuring Effective Date. The Subscribers are Scheme Creditors who have validly elected or been assigned or re-allocated to Option 1 of the Scheme Consideration.

Based on the initial MCB Conversion Price, a total of 2,571,858,330 MCB Conversion Shares will be allotted and issued upon full conversion of the MCB, which respectively represent approximately (i) (assuming full conversion of the MCB at the initial MCB Conversion Price) 44.55% of the number of issued Shares as at the date of this announcement; (ii) (assuming full conversion of the MCB at the initial MCB Conversion Price) 30.82% of the number of issued Shares as enlarged by the issuance of MCB Conversion Shares; (iii) 14.20% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 13.26% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to the maturity date of the MCB.

## **3. STN**

The Company proposes to issue the STN in the total principal amount of USD632,473,681 to the Subscribers on the Restructuring Effective Date, comprising STN issued as Option 1 of the Scheme Consideration and STN for payment of consent fee or work fee. The Subscribers are (i) Scheme Creditors who have validly elected or been assigned or re-allocated to Option 1 of the Scheme Consideration; (ii) Participating Creditors who have validly elected to, or are entitled to, receive the early consent fee or general consent fee in the form of STN in accordance with the terms of the RSA; and (iii) the Ad Hoc Group who are entitled to additional work fee in the form of STN (which is determined based on the difference between (a) 0.1% of the Scheme Creditors' Claims and (b) the general consent fee that is actually paid on or prior to the Restructuring Effective Date) in accordance with the Ad Hoc Group Work Fee Letter.

#### **4. LTN**

The Company proposes to issue the LTN in the total principal amount of USD809,603,733 to the Subscribers on the Restructuring Effective Date. The Subscribers are Scheme Creditors who have validly elected or been assigned or re-allocated to Option 2 of the Scheme Consideration.

#### **5. SCHEME FEE SHARES**

The Company proposes to allot and issue a total of 173,935,261 Consent Fee Shares and 1,363,891,506 Work Fee Shares, in each case at the issue price of HK\$0.10 per Share, to the Subscribers on the Restructuring Effective Date. The Subscribers are the Participating Creditors holding Early Eligible Participating Debt and the Ad Hoc Group. In particular, the Ad Hoc Group will be entitled to (i) 1,279,200,000 Shares, being the fixed work fee payable in the form of Shares; and (ii) 84,691,506 Shares, being the additional work fee in the form of Shares (which is determined based on the difference between (a) the number of Shares representing 0.1% of the Scheme Creditors' Claims (being 363,107,393 Shares) and (b) the number of Shares representing the amount of early consent fee that is actually paid on or prior to the Restructuring Effective Date).

1,537,826,767 Scheme Fee Shares represent approximately (i) 26.64% of the number of issued Shares as at the date of this announcement; (ii) 21.04% of the number of issued Shares as enlarged by the issuance of Scheme Fee Shares; (iii) 8.49% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 7.93% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

## **6. LOAN CAPITALISATION**

With respect to the Shareholder Loans, the Company proposes to implement the Loan Capitalisation on the Restructuring Effective Date, pursuant to which the Company will allot and issue, and Fantasy Pearl International Limited will subscribe for, a total of 4,376,483,544 Capitalisation Shares at the issue price of HK\$0.30 per Share, which will be satisfied by way of capitalising the outstanding principal amount of the Shareholder Loans of RMB1,211,949,289 (equivalent to approximately HK\$1,312,945,063). Upon completion of the Loan Capitalisation, the aggregate outstanding principal amount of the Shareholder Loans shall be deemed to have been fully repaid and the accrued but unpaid interests thereunder shall be waived on the Restructuring Effective Date.

The Capitalisation Shares represent approximately (i) 75.81% of the number of issued Shares as at the date of this announcement; (ii) 43.12% of the number of issued Shares as enlarged by the issuance of Capitalisation Shares; (iii) 24.16% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 22.56% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

## **7. NEW SHAREHOLDER LOAN**

Ms. Zeng proposes to, through Fantasy Pearl International Limited, provide or procure the provision of the New Shareholder Loan of USD6,000,000 to the Company to fund certain fees and expenses payable under the Proposed Debt Restructuring on or about the Restructuring Effective Date. The New Shareholder Loan will be unsecured, have no fixed maturity date and bear interest of 8% per annum.

The New Shareholder Loan will be subordinated in right of payment to the Existing Notes, STN, LTN and MCB, and interest on the New Shareholder Loan will only be payable on demand if no cash interest under the STN and LTN is due and payable and outstanding at that time.

## **8. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to seek the approval (by way of ordinary resolution at the EGM) of an increase in the Company's authorised share capital from HK\$800,000,000 divided into 8,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 22,000,000,000 unissued Shares, and for such Shares to rank *pari passu* in all respects.

### **LISTING RULES IMPLICATIONS**

The Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares will be allotted and issued under the specific mandates to be sought from the Shareholders at the EGM.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares.

As at the date of this announcement, Ms. Zeng owns 100% of the issued shares of Ice Apex Limited, which owns 80% of the issued shares of Fantasy Pearl International Limited, and Fantasy Pearl International Limited in turn owns approximately 57.41% of the issued Shares. As at the date of this announcement, Ms. Zeng also owns 100% of the issued shares of Baocollection Limited, which is not interested in any Shares. Ms. Zeng is a non-executive Director, the controlling shareholder and a connected person of the Company. As at the date of this announcement, Ms. Zeng is interested in the Existing Notes in the aggregate outstanding principal amount of USD23,300,000 (comprising USD6,200,000 held by Fantasy Pearl International Limited, and USD17,100,000 held by Baocollection Limited) and the Shareholder Loans in the aggregate outstanding principal amount of RMB1,211,949,289 (equivalent to approximately HK\$1,312,945,063).

Mr. Guo is an independent non-executive Director and a connected person of the Company. As at the date of this announcement, Mr. Guo is interested in the Existing Notes in the aggregate outstanding principal amount of USD200,000 but he is not interested in any Shares.

Accordingly, each of the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholder approval requirements under Chapter 14A of the Listing Rules. Ms. Zeng, Ice Apex Limited, Fantasy Pearl International Limited and their respective associates will be required to abstain from voting at the EGM in relation to the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation.

As the New Shareholder Loan is on normal commercial terms or better and is not secured by any assets of the Group, the New Shareholder Loan is fully exempt from reporting, announcement and independent shareholder approval requirements pursuant to Rule 14A.90 of the Listing Rules.

## **GENERAL**

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the connected transactions in relation to the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation.

The Board has appointed Opus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (1) details of the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares, the Loan Capitalisation and the Increase in Authorised Share Capital; (2) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; (3) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; and (4) the notice convening the EGM is expected to be dispatched to the Shareholders on or around 15 April 2026, so that the Company could have sufficient time to prepare information for inclusion in the circular.

**Shareholders and potential investors of the Company should note that the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation are subject to the satisfaction of certain conditions. Accordingly, the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation may or may not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and other investors are advised to seek professional advice from their own professional or financial advisers.**

## **BACKGROUND**

Reference is made to the announcements of the Company dated 4 August 2025, 3 September 2025, 23 September 2025, 3 October 2025, 8 October 2025, 8 January 2026, 16 January 2026, 22 January 2026, 26 January 2026 and 30 January 2026 (the “**Announcements**”) in relation to the Proposed Debt Restructuring. Unless defined otherwise, capitalised terms in this announcement shall have the respective meanings as defined in the Announcements.

The Company is pleased to announce that it has obtained sufficient support from the Scheme Creditors to approve the Schemes at the Scheme Meetings which were convened on 20 February 2026. Subject to the occurrence of the Restructuring Effective Date:

- (a) Scheme Creditors who have validly elected or been assigned or re-allocated Option 1, 2 and/or 3 of the Scheme Consideration will receive one or a combination of (Option 1) STN and MCB, (Option 2) LTN and Scheme Creditor Shares, and/or (Option 3) Scheme Creditor Shares; and
- (b) all amounts owed by the Group under the Existing Notes and Existing Additional Debt Instruments (including the outstanding principal amount and interest accrued) will be discharged in full.

In particular, the Scheme Consideration comprises:

- (i) Option 1 – for USD1 of Scheme Creditors’ Claims, STN in the principal amount of USD0.25 and MCB in the principal amount of USD0.20, representing a discount of 55% to the relevant Scheme Creditors’ Claims;
- (ii) Option 2 – for USD1 of Scheme Creditors’ Claims, LTN in the principal amount of USD0.60 and such number of Scheme Creditor Shares equal to USD0.15 divided by the issue price of HK\$1.52 per Share, representing a discount of 25% to the relevant Scheme Creditors’ Claims;
- (iii) Option 3 – for USD1 of Scheme Creditors’ Claims, such number of Scheme Creditor Shares equal to USD1 divided by the issue price of HK\$1.52 per Share.

In connection with the Proposed Debt Restructuring, the Company is required to pay certain consent fees and work fees to the Participating Creditors and the Ad Hoc Group respectively in the form of Scheme Fee Shares and/or STN.

Ms. Zeng proposes to, through Fantasy Pearl International Limited, provide or procure the provision of the New Shareholder Loan to the Company to fund certain fees and expenses payable under the Proposed Debt Restructuring on or about the Restructuring Effective Date. The Company also proposes to implement the Loan Capitalisation to settle the Shareholder Loans on the Restructuring Effective Date.

## 1. SCHEME CREDITOR SHARES

The principal terms of the issuance of Scheme Creditor Shares as part of the Scheme Consideration on the Restructuring Effective Date are summarised as follows:

**Subscribers:** Subscribers (not less than six in number), being Scheme Creditors who have validly elected or been assigned or re-allocated to Options 2 and 3 of the Scheme Consideration

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, the Subscribers of the Scheme Creditor Shares and their ultimate beneficial owners (other than Ms. Zeng, Fantasy Pearl International Limited, Baocollection Limited and Mr. Guo) are independent of the Company and its connected persons.

**Issue price:** HK\$1.52 per Scheme Creditor Share

**Number of Shares:** 5,143,723,515 Scheme Creditor Shares comprising:

- (1) an aggregate of 1,038,635,809 Shares allotted and issued to Scheme Creditors who have validly elected or been assigned or re-allocated to Option 2 of the Scheme Consideration (of which 784,824 Shares will be allotted and issued to Fantasy Pearl International Limited, 2,164,599 Shares will be allotted and issued to Baocollection Limited and 25,316 Shares will be allotted and issued to Mr. Guo, respectively), representing 15% of the Scheme Creditors' Claims assigned or allocated to Option 2 of the Scheme Consideration; and

- (2) an aggregate of 4,105,087,706 Shares allotted and issued to Scheme Creditors who have validly elected or been assigned or re-allocated to Option 3 of the Scheme Consideration (of which 11,328,052 Shares will be allotted and issued to Fantasy Pearl International Limited, 31,243,499 Shares will be allotted and issued to Baocollection Limited and 365,421 Shares will be allotted and issued to Mr. Guo, respectively), representing 100% of the Scheme Creditors' Claims assigned or allocated to Option 3 of the Scheme Consideration

**Ranking of Scheme Creditor Shares:** The Scheme Creditor Shares allotted and issued will rank *pari passu* in all respects with the Shares in issue, including the right to any dividend or distribution, the record date of which falls on or after the date of allotment.

**Listing:** An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Scheme Creditor Shares.

### **Scheme Creditor Shares**

5,143,723,515 Scheme Creditor Shares respectively represent approximately (i) 89.11% of the number of issued Shares as at the date of this announcement; (ii) 47.12% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares; (iii) 28.39% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 26.51% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

The issue price of HK\$1.52 per Scheme Creditor Share represents:

- (1) a premium of 1,800.00% over the closing price of HK\$0.080 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of 1,709.52% over the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 16 February 2026, being the last trading day before the Scheme Meetings;
- (3) a premium of 1,744.66% over the average closing price of HK\$0.082 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and
- (4) a premium of 1,776.54% over the average closing price of HK\$0.081 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day.

The Board is of the view that the net asset value per Share is not a meaningful reference to determine the issue price of the Scheme Creditor Shares, taking into account the fact that the Company was in a net liability position as at 31 December 2024, as disclosed in the Company's audited financial statements for that year.

The issue price of the Scheme Creditor Shares was determined after arm's length negotiation between the Company and the Ad Hoc Group having considered (i) the Scheme Creditors' Claims to be discharged and the discount applied to the principal amount; (ii) balancing the dilution impact of various equity issuances on the Restructuring Effective Date and upon conversion of the MCB with a view to allowing the controlling Shareholder to maintain reasonable control over the Company, which would in turn facilitate the Company's operations; (iii) the impact of the issue price on the level of support from the Scheme Creditors; (iv) the distressed financial condition of the Company; (v) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (vi) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

## **Conditions of the issuance of Scheme Creditor Shares**

The allotment and issuance of Scheme Creditor Shares is conditional upon the fulfilment of each of the following conditions:

- (1) the Increase in Authorised Share Capital having become effective;
- (2) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the issuance of Scheme Creditor Shares and transactions contemplated thereunder;
- (3) the Listing Committee granting the listing of, and permission to deal in, the Scheme Creditor Shares; and
- (4) the occurrence of the Restructuring Effective Date.

## **2. MCB**

The principal terms of the MCB to be issued as part of the Scheme Consideration on the Restructuring Effective Date are summarised as follows:

**Issuer:** The Company

**Subscribers:** Subscribers (not less than six in number), being Scheme Creditors who have validly elected or been assigned or re-allocated to Option 1 of the Scheme Consideration

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, the Subscribers of the MCB and their ultimate beneficial owners (other than Ms. Zeng, Fantasy Pearl International Limited, Baocollection Limited and Mr. Guo) are independent of the Company and its connected persons.

**Principal amount:** USD501,183,055 (of which MCB in the principal amount of USD594,574 will be issued to Fantasy Pearl International Limited, USD1,639,875 will be issued to Baocollection Limited and USD19,179 will be issued to Mr. Guo, respectively), representing 20% of the Scheme Creditors' Claims assigned or allocated to Option 1 of the Scheme Consideration

**Maturity date:** 31 December 2027

**Guarantee:** Corporate guarantees from the Subsidiary Guarantors and joint venture subsidiary guarantor(s) from time to time (if any)

**MCB Conversion Price:** Initially HK\$1.52 per Share, subject to adjustments as set forth below

Assuming there is no adjustment to the MCB Conversion Price, the Company will allot and issue a total of 2,571,858,330 MCB Conversion Shares upon full conversion of the MCB.

**Adjustments to MCB Conversion Price:** The MCB Conversion Price may be adjusted in certain circumstances including stock split, consolidation, dividend and new equity issuance at below current market price, subject to customary carve-outs and exceptions.

**Conversion:** Voluntary conversion:

The MCB may be voluntarily converted by any holder of the MCB to Shares by delivering a conversion notice to convert all or part of the MCB held by such holder from the issue date of the MCB up to and including 3:00 pm on the Voluntary Conversion Period End Date.

Mandatory conversion:

- (1) 50% of the initial issue size on the Restructuring Effective Date (the “**RED Mandatory Conversion**”);
- (2) 25% of the initial issue size on 31 December 2026 (less the aggregate principal amount of the MCB voluntarily converted during the period ending on 31 December 2026); and
- (3) remaining principal amount of the MCB shall be mandatorily converted into Shares on the maturity date of the MCB.

In any relevant year, no mandatory conversion shall apply if the total conversion (including voluntary conversion) of the MCB at any relevant time of the year exceeds the annual minimum conversion threshold described above.

Notwithstanding anything to the contrary in the preceding paragraphs, there shall be no mandatory conversion of the MCB upon the occurrence of any of the following:

- (a) the occurrence of any event of default under the MCB, STN and/or LTN until such event of default is cured or waived by the holders of the MCB, STN and/or LTN;

- (b) if the Shares are delisted or suspended from trading, until the later of (x) resumption of trading of the Shares on the relevant stock exchange and (y) to the extent the foregoing constitutes a “Relevant Event” based on prongs (i) and (ii) of its definition, the expiry of the Relevant Event Redemption Notice Period;
- (c) when there is a Change of Control, until the expiry of the Relevant Event Redemption Notice Period.

**Ranking of MCB  
Conversion  
Shares:**

The MCB Conversion Shares allotted and issued upon conversion of the MCB will be fully paid and will rank *pari passu* in all respects with the Shares in issue, including the right to any dividend or distribution the record date of which falls on or after the date of allotment.

**Redemption at the  
option of the  
Company:**

At any time prior to the maturity date of the MCB, the Company may redeem all or any part of the outstanding MCB at their principal amount to be so redeemed subject to and in accordance with the terms and conditions of the MCB.

**Redemption for  
Relevant Event:**

Following the occurrence of any of the Relevant Events, any holder of the MCB will have an option to require the Company to redeem all or some of the MCB at par.

**Key covenants:** The MCB will include certain affirmative obligations concerning the provision of financial statements and other quarterly, semi-annual and annual reports, the maintenance of qualified independent auditors and the notification to the National Development and Reform Commission of the PRC or its local counterparts and the China Securities Regulatory Commission of the PRC or its local counterpart.

The MCB will also contain a restrictive covenant limiting the Company and its restricted subsidiaries from the granting of liens, among other covenants customary for similarly situated issuers, in each case subject to various customary exceptions and permissions.

**Form, denomination and registration:** The MCB will be only issued in fully registered form and will be initially represented by one or more global certificates.

The minimum denomination will be USD1 and integral multiples of USD1 in excess thereof.

**Listing:** An application will be made by the Company for the listing and quotation of the MCB on the Singapore Stock Exchange.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the MCB Conversion Shares.

## **MCB Conversion Shares**

Based on the initial MCB Conversion Price, a total of 2,571,858,330 MCB Conversion Shares will be allotted and issued upon full conversion of the MCB, which respectively represent approximately (i) (assuming full conversion of the MCB at the initial MCB Conversion Price) 44.55% of the number of issued Shares as at the date of this announcement; (ii) (assuming full conversion of the MCB at the initial MCB Conversion Price) 30.82% of the number of issued Shares as enlarged by the issuance of MCB Conversion Shares; (iii) 14.20% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 13.26% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to the maturity date of the MCB.

The initial MCB Conversion Price of HK\$1.52 represents:

- (1) a premium of 1,800.00% over the closing price of HK\$0.080 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of 1,709.52% over the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 16 February 2026, being the last trading day before the Scheme Meetings;
- (3) a premium of 1,744.66% over the average closing price of HK\$0.082 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and
- (4) a premium of 1,776.54% over the average closing price of HK\$0.081 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day.

The Board is of the view that the net asset value per Share is not a meaningful reference to determine the issue price of the MCB Conversion Shares, taking into account the fact that the Company was in a net liability position as at 31 December 2024, as disclosed in the Company's audited financial statements for that year.

The MCB Conversion Price was determined after arm's length negotiation between the Company and the Ad Hoc Group having considered (i) the Scheme Creditors' Claims to be discharged and the discount applied to the principal amount; (ii) zero coupon rate, which means the MCB will not create any immediate liquidity pressure on the Group; (iii) balancing the dilution impact of various equity issuances on the Restructuring Effective Date and upon conversion of the MCB with a view to allowing the controlling Shareholder to maintain reasonable control over the Company, which would in turn facilitate the Company's operations; (iv) the impact of the issue price on the level of support from the Scheme Creditors; (v) the distressed financial condition of the Company; (vi) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (vii) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

### **Conditions of the issuance of MCB**

The issuance of MCB is conditional upon the fulfilment of each of the following conditions:

- (1) the Increase in Authorised Share Capital having become effective;
- (2) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the issuance of MCB and transactions contemplated thereunder;
- (3) the Singapore Stock Exchange granting the approval in principle for the listing of the MCB;

- (4) the Listing Committee granting the listing of, and permission to deal in, the MCB Conversion Shares; and
- (5) the occurrence of the Restructuring Effective Date.

### 3. STN

The principal terms of the STN to be issued (i) as part of the Scheme Consideration, (ii) consent fee payable pursuant to the RSA and (iii) work fee payable pursuant to the Ad Hoc Group Work Fee Letter on the Restructuring Effective Date are summarised as follows.

**Issuer:** The Company

**Subscribers:** Subscribers (not less than six in number), being (i) Scheme Creditors who have validly elected or been assigned or re-allocated to Option 1 of the Scheme Consideration; (ii) Participating Creditors who have validly elected to, or are entitled to, receive the early consent fee or general consent fee in the form of STN in accordance with the terms of the RSA; and (iii) the Ad Hoc Group who are entitled to additional work fee in the form of STN in accordance with the Ad Hoc Group Work Fee Letter

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, the Subscribers of the STN and their ultimate beneficial owners (other than Ms. Zeng, Fantasy Pearl International Limited, Baocollection Limited and Mr. Guo) are independent of the Company and its connected persons.

**Principal amount:** USD632,473,681 (of which STN in the principal amount of USD743,218 will be issued to Fantasy Pearl International Limited, USD2,049,846 will be issued to Baocollection Limited, and USD23,974 will be issued to Mr. Guo, respectively), comprising:

- (1) USD626,478,964 as part of the Scheme Consideration, representing 25% of the Scheme Creditors' Claims assigned or allocated to Option 1 of the Scheme Consideration;
- (2) USD5,994,717 being the sum of (i) early consent fee payable pursuant to the terms of the RSA, representing 0.1% of the aggregate outstanding principal amount of the Early Eligible Participating Debt held by Participating Creditors who validly elected to receive the early consent fee in the form of STN; (ii) general consent fee payable pursuant to the terms of the RSA, representing 0.1% of the aggregate outstanding principal amount of the General Eligible Participating Debt held by Participating Creditors; and (iii) additional work fee payable to the Ad Hoc Group in accordance with the Ad Hoc Group Work Fee Letter, representing the difference between (a) 0.1% of the Scheme Creditors' Claims and (b) the general consent fee that is actually paid on or prior to the Restructuring Effective Date

**Interest:** Interest on the outstanding principal amount of the STN shall accrue at 3.00% per annum from 31 December 2025, payable semi-annually in arrears in cash unless the Company elects to pay all or a portion of such interest in paid-in-kind interest (PIK) in the following manner:

- (1) from and including 31 December 2025 to but excluding 31 December 2027, the Company may elect to pay up to all of the interest due on each interest payment date in PIK;
- (2) from and including 31 December 2027 to but excluding 31 December 2028, (i) up to 2.50% per annum in PIK as the Company may elect; and (ii) at least 0.5% per annum in cash as the Company may elect;
- (3) from and including 31 December 2028 to but excluding 31 December 2029, (i) up to 2.00% per annum in PIK as the Company may elect; and (ii) at least 1.0% per annum in cash as the Company may elect; and
- (4) from and including 31 December 2029 to but excluding 31 December 2031, all of the interest due on each interest payment date in cash

**Maturity date:** 31 December 2031

**Guarantee:** Corporate guarantees from the Subsidiary Guarantors

**Mandatory redemption:**

On each redemption date set forth below, the Company shall redeem at least the STN Minimum Principal Amount (as defined below) at a redemption price equal to 100% of the principal amount of the STN thereof plus accrued and unpaid interest (if any) to the relevant mandatory redemption date as set forth below:

<b>STN mandatory redemption date</b>	<b>Relevant principal amount (on a cumulative basis)</b>
31 December 2029	20% of the original issue amount of the STN
31 December 2030	50% of the original issue amount of the STN

“**STN Minimum Principal Amount**” means, with respect to any STN mandatory redemption date, the greater of (i) zero and (ii) an amount equivalent to (a) the required principal amount set forth above *minus* (b) the aggregate principal amount of the STN redeemed at par and on a pro rata basis in respect of all STN then outstanding in accordance with the terms thereof, from the original issue date up to but excluding the relevant STN mandatory redemption date.

**Repurchase upon a Change of Control:**

Upon a Change of Control (or, in the event the STN are rated in the future, a Change of Control accompanied by a ratings downgrade), the Company shall make an offer to repurchase all STN outstanding at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest (if any) to the date of repurchase.

**Security:**

The STN are secured by:

- (1) first ranking security over all issued share capital of Fantasia Financial Community Group Co., Ltd, Fantastic Victory Limited, Fantasia Investment, Fantasia Financial Community Group (Hong Kong) Co., Limited, Hong Kong Huawanli Trading Co., Limited and all issued share capital of Atlantis Fantasy Pearl Holdings, LLC held by Fantasy Pearl, LLC from time to time;
- (2) first ranking security over the Project Moonlight secured account (the “**Project Moonlight Secured Account**”), being a bank account established for the purpose of ringfencing cash generated under the cash sweep undertakings in relation to the “**Project Moonlight**” comprising six healthcare facilities in the United States of America indirectly held by Atlantis Fantasy Pearl Holdings, LLC;
- (3) first ranking security over the specified assets secured account (the “**Specified Assets Secured Account**”), being an offshore bank account established for the purpose of ringfencing cash generated under the cash sweep undertakings in relation to the specified assets; and
- (4) first ranking security over the onshore secured account (the “**Onshore Secured Account**”), being an onshore bank account established for the purpose of ringfencing cash generated under the cash sweep undertakings in relation to the specified assets.

**Colour Life Shares:** The Company shall use (i) dividends and other distributions from the Colour Life Shares and (ii) net consideration from the disposal of the Colour Life Shares to repay, repurchase or redeem the STN at par in full in respect of all the outstanding STN, followed by the LTN, after deducting the following amounts:

- (1) the Group's offshore operating expenses, subject to a cap of USD3,000,000 per fiscal year; and
- (2) any other reasonable fees and expenses incurred in connection with the maintenance of the escrow account.

**Amendments:** Amendments to certain key provisions of the STN, including but not limited to maturity, principal amount, interest, premium, mandatory redemptions (including pursuant to the specified assets and Project Moonlight cash sweeps), ranking, certain waivers, certain releases of guarantees and certain releases of collateral, among others, shall be subject to the consent of holders of not less than 75% of the aggregate outstanding principal amount of the STN.

**Key covenants:** The STN will contain certain restrictive covenants limiting the Company and its restricted subsidiaries from the incurrence of indebtedness, the making of restricted payments including investments and dividends, the granting of liens, the disposal of assets outside of the ordinary course of business and transactions with affiliates, among other covenants customary for similarly situated issuers, in each case subject to various customary exceptions and permissions.

The STN will also include certain affirmative obligations concerning the provision of financial statements and other quarterly, semi-annual and annual reports and the maintenance of qualified independent auditors.

The STN will also include a cash sweep covenant pursuant to which the Company will be required to deposit a portion of the net consideration (after specified permitted withholdings) arising from disposals of the specified assets into the Onshore Secured Account and, once the balance of the Onshore Secured Account reaches USD15,000,000, to undertake certain steps to seek approval and, following approval, to transfer such amounts to the Specified Assets Secured Account. Within 30 days of the balance of the Specified Assets Secured Account exceeding USD15,000,000, the Company will be required to redeem or repurchase the STN, followed by the LTN, on a pro rata basis at par.

Finally, the STN will also include a cash sweep covenant pursuant to which the Company will be required to procure the deposit of net proceeds (after specified permitted withholdings) arising from disposal of the Project Moonlight into the Project Moonlight Secured Account and, once the balance of the Project Moonlight Secured Account reaches USD5,000,000, to apply the balance in the following order:

- (1) first, payment of any cash interest that is due and payable under the STN at such time;
- (2) second, reserving a debt service reserve to cover amounts payable under the STN in the next 12 calendar months; and

(3) third, using any remaining balance to redeem or repurchase the STN on a pro rata basis at par.

In the event that the Project Moonlight is not disposed of by 31 December 2027, a step-in right has been granted to the collateral agent to effect such disposal.

**Events of default:**

The STN will contain customary events of default with customary grace periods, including principal and interest payment defaults, mandatory redemption defaults, covenant breaches, voluntary and involuntary insolvency proceedings, and certain defects in guarantees and collateral.

The STN will also contain a cross-acceleration clause and an event of default in respect of final judgments, in each case where the accelerated indebtedness or judgment amount exceeds USD15,000,000.

The events of default arising from cross acceleration, judgments, and voluntary and involuntary insolvency proceedings will exclude such events arising from any onshore indebtedness for the first two years, from any onshore indebtedness that existed as of Restructuring Effective Date thereafter, and from certain enforcement actions in respect of the OCP Loan.

**Form, denomination and registration:**

The STN will be only issued in fully registered form and will be initially represented by one or more global certificates.

The minimum denomination will be USD1 and integral multiples of USD1 in excess thereof.

**Listing:**

An application will be made by the Company for the listing and quotation of the STN on the Singapore Stock Exchange.

The terms of the STN were determined after arm's length negotiation between the Company and the Ad Hoc Group having considered (i) the Scheme Creditors' Claims to be discharged and the discount applied to the principal amount; (ii) the option of paying part of the interest due in PIK, which will not create any immediate liquidity pressure on the Group; (iii) the distressed financial condition of the Company; (iv) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (v) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

### **Conditions of the issuance of STN**

The issuance of STN is conditional upon the fulfilment of each of the following conditions:

- (1) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the issuance of STN and transactions contemplated thereunder;
- (2) the Singapore Stock Exchange granting the approval in principle for the listing of the STN; and
- (3) the occurrence of the Restructuring Effective Date.

### **4. LTN**

The principal terms of the LTN to be issued as part of the Scheme Consideration on the Restructuring Effective Date are summarised as follows.

**Issuer:** The Company

**Subscribers:** Subscribers (not less than six in number), being Scheme Creditors who have validly elected or been assigned or re-allocated to Option 2 of the Scheme Consideration

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, the Subscribers of the LTN and their ultimate beneficial owners (other than Ms. Zeng, Fantasy Pearl International Limited, Baocollection Limited, and Mr. Guo) are independent of the Company and its connected persons.

**Principal amount:** USD809,603,733 (of which LTN in the principal amount of USD611,760 will be issued to Fantasy Pearl International Limited, USD1,687,276 will be issued to Baocollection Limited, and USD19,734 will be issued to Mr. Guo, respectively), representing 60% of the Scheme Creditors' Claims assigned or allocated to Option 2 of the Scheme Consideration

**Interest:** Interest on the outstanding principal amount of the LTN shall accrue at 3.00% per annum from 31 December 2025, payable semi-annually in arrears in cash unless the Company elects to pay all or a portion of such interest in paid-in-kind interest (PIK) in the following manner:

(1) from and including 31 December 2025 to but excluding 31 December 2031, the Company may elect to pay up to all of the interest due on each interest payment date in PIK; and

(2) from and including 31 December 2031 to but excluding 31 December 2034, all of the interest due on each interest payment date in cash

**Maturity date:** 31 December 2034

**Guarantee:** Same as STN

**Mandatory redemption:**

On each redemption date set forth below, the Company shall redeem at least the LTN Minimum Principal Amount (as defined below) at a redemption price equal to 100% of the principal amount of the LTN thereof plus accrued and unpaid interest (if any) to the relevant mandatory redemption date as set forth below:

<b>LTN mandatory redemption date</b>	<b>Relevant principal amount (on a cumulative basis)</b>
31 December 2032	25% of the original issue amount of the LTN
31 December 2033	50% of the original issue amount of the LTN

“**LTN Minimum Principal Amount**” means, with respect to any LTN mandatory redemption date, the greater of (i) zero and (ii) an amount equivalent to (a) the required principal amount set forth above *minus* (b) the aggregate principal amount of the LTN redeemed at par and on a pro rata basis in respect of all LTN then outstanding in accordance with the terms thereof, from the original issue date up to but excluding the relevant LTN mandatory redemption date.

**Repurchase upon a Change of Control:**

Same as STN

**Security:**

Same as STN, but without the benefit of the security over all issued share capital of Atlantis Fantasy Pearl Holdings, LLC held by Fantasy Pearl, LLC and the security over the Project Moonlight Secured Account

**Colour Life Shares:** Same as STN, to the extent applicable to LTN

**Amendments:** Amendments to certain key provisions of the LTN, including but not limited to maturity, principal amount, interest, premium, mandatory redemptions (including pursuant to the specified assets cash sweep), ranking, certain waivers, certain releases of guarantees and certain releases of collateral, among others, shall be subject to the consent of holders of not less than 66.67% of the aggregate outstanding principal amount of the LTN.

**Key covenants:** Same as STN, in the case of the cash sweep in respect of the specified assets, to the extent applicable to the LTN but without the benefit of the cash sweep in respect of Project Moonlight

**Events of default:** Same as STN

**Form, denomination and registration:** Same as STN

**Listing:** Same as STN

The terms of the LTN were determined after arm's length negotiation between the Company and the Ad Hoc Group having considered (i) the Scheme Creditors' Claims to be discharged and the discount applied to the principal amount; (ii) the option of paying part of the interest due in PIK, which will not create any immediate liquidity pressure on the Group; (iii) the distressed financial condition of the Company; (iv) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (v) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

## **Conditions of the issuance of LTN**

The issuance of LTN is conditional upon the fulfilment of each of the following conditions:

- (1) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the issuance of LTN and transactions contemplated thereunder;
- (2) the Singapore Stock Exchange granting the approval in principle for the listing of the LTN; and
- (3) the occurrence of the Restructuring Effective Date.

## 5. SCHEME FEE SHARES

The principal terms of the issuance of Scheme Fee Shares (comprising Consent Fee Shares and Work Fee Shares) on the Restructuring Effective Date are summarised as follows:

**Subscribers:** Subscribers (not less than six in number), being the Participating Creditors holding Early Eligible Participating Debt and the Ad Hoc Group

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, the Subscribers of the Scheme Fee Shares and their ultimate beneficial owners (other than Ms. Zeng, Fantasy Pearl International Limited and Baocollection Limited) are independent of the Company and its connected persons.

**Issue price:** HK\$0.10 per Scheme Fee Share

**Number of Shares:** 1,537,826,767 Scheme Fee Shares, of which 483,600 Shares will be allotted and issued to Fantasy Pearl International Limited and 1,333,800 Shares will be allotted and issued to Baocollection Limited

In particular, the Ad Hoc Group will be entitled to (i) 1,279,200,000 Shares, being the fixed work fee in the form of Shares; and (ii) 84,691,506 Shares, being the additional work fee in the form of Shares (which is determined based on the difference between (a) the number of Shares representing 0.1% of the Scheme Creditors' Claims (being 363,107,393 Shares) and (b) the number of Shares representing the amount of early consent fee that is actually paid on or prior to the Restructuring Effective Date).

**Ranking of Scheme Fee Shares:** The Scheme Fee Shares allotted and issued will rank *pari passu* in all respects with the Shares in issue, including the right to any dividend or distribution the record date of which falls on or after the date of allotment.

**Listing:** An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Scheme Fee Shares.

### **Scheme Fee Shares**

1,537,826,767 Scheme Fee Shares represent approximately (i) 26.64% of the number of issued Shares as at the date of this announcement; (ii) 21.04% of the number of issued Shares as enlarged by the issuance of Scheme Fee Shares; (iii) 8.49% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 7.93% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

The issue price of HK\$0.10 per Scheme Fee Share represents:

- (1) a premium of 25.00% over the closing price of HK\$0.080 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of 19.05% over the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 16 February 2026, being the last trading day before the Scheme Meetings;

- (3) a premium of 21.36% over the average closing price of HK\$0.082 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and
- (4) a premium of 23.46% over the average closing price of HK\$0.081 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day.

The Board is of the view that the net asset value per Share is not a meaningful reference to determine the issue price of the Scheme Fee Shares, taking into account the fact that the Company was in a net liability position as at 31 December 2024, as disclosed in the Company's audited financial statements for that year.

The issue price of the Scheme Fee Shares was determined after arm's length negotiation between the Company and the Ad Hoc Group having considered i) the Scheme Creditors' Claims to be discharged and the discount applied to the principal amount; (ii) balancing the dilution impact of various equity issuances on the Restructuring Effective Date and upon conversion of the MCB with a view to allowing the controlling Shareholder to maintain reasonable control over the Company, which would in turn facilitate the Company's operations; (iii) the impact of the issue price on the level of support from the Scheme Creditors; (iv) the distressed financial condition of the Company; (v) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (vi) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

### **Conditions of the issuance of Scheme Fee Shares**

The allotment and issuance of Scheme Fee Shares is conditional upon the fulfilment of each of the following conditions:

- (1) the Increase in Authorised Share Capital having become effective;
- (2) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the issuance of Scheme Fee Shares and transactions contemplated thereunder;

(3) the Listing Committee granting the listing of, and permission to deal in, the Scheme Fee Shares; and

(4) the occurrence of the Restructuring Effective Date.

## 6. LOAN CAPITALISATION

With respect to the Shareholder Loans, the Company proposes to implement the Loan Capitalisation on the Restructuring Effective Date, the principal terms of which are set out below:

**Subscriber:** Fantasy Pearl International Limited

**Issue price:** HK\$0.30 per Capitalisation Share

**Number of Shares:** 4,376,483,544 Shares, based on the aggregate outstanding principal amount of the Shareholder Loans of RMB1,211,949,289 (equivalent to approximately HK\$1,312,945,063) (details of which are set out in the Appendix to this announcement) and the issue price of HK\$0.30 per Capitalisation Share (accrued but unpaid interests thereunder shall be waived on the Restructuring Effective Date)

All accrued but unpaid interest (including default interest) outstanding on the Shareholder Loans shall be waived on the Restructuring Effective Date and shall not be included for purposes of conversion under the Loan Capitalisation.

**Ranking of  
Capitalisation  
Shares:**

The Capitalisation Shares allotted and issued will rank *pari passu* in all respects with the Shares in issue, including the right to any dividend or distribution the record date of which falls on or after the date of allotment.

## Capitalisation Shares

The Capitalisation Shares represent approximately (i) 75.81% of the number of issued Shares as at the date of this announcement; (ii) 43.12% of the number of issued Shares as enlarged by the issuance of Capitalisation Shares; (iii) 24.16% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares; and (iv) 22.56% of the number of issued Shares as enlarged by the issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares, in each case assuming there is no other change in the number of issued Shares from the date of this announcement up to maturity date of the MCB.

The issue price of HK\$0.30 per Capitalisation Share represents:

- (1) a premium of 275.00% over the closing price of HK\$0.080 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of 257.14% over the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 16 February 2026, being the last trading day before the Scheme Meetings;
- (3) a premium of 264.08% over the average closing price of HK\$0.082 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and
- (4) a premium of 270.37% over the average closing price of HK\$0.081 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day.

The Board is of the view the net asset value per Share is not a meaningful reference to determine the issue price of the Capitalisation Shares, taking into account the fact that the Company was in a net liability position as at 31 December 2024, as disclosed in the Company's audited financial statements for that year.

The issue price of the Capitalisation Shares was determined after arm's length negotiation between the Company, the Ad Hoc Group and Ms. Zeng having considered, among other things, (i) the Shareholder Loans to be discharged; (ii) balancing the dilution impact of various equity issuances on the Restructuring Effective Date and upon conversion of the MCB with a view to allowing the controlling Shareholder to maintain reasonable control over the Company, which would in turn facilitate the Company's operations; (iii) the impact of the issue price on the level of support from the Scheme Creditors; (iv) Ms. Zeng's continued support for the Proposed Debt Restructuring through various means, including but not limited to the TFI Restructuring Agreement and the New Shareholder Loan; (v) the distressed financial condition of the Company; (vi) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (vii) the difficulties faced by the Company in accessing external financing for the repayment of the Existing Notes and Existing Additional Debt Instruments.

## **Conditions of the Loan Capitalisation**

The allotment and issuance of Capitalisation Shares is conditional upon the fulfilment of each of the following conditions:

- (1) the Increase in Authorised Share Capital having become effective;
- (2) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Loan Capitalisation and transactions contemplated thereunder;
- (3) the Listing Committee granting the listing of, and permission to deal in, the Capitalisation Shares; and
- (4) the occurrence of the Restructuring Effective Date.

Upon completion of the Loan Capitalisation, the aggregate outstanding principal amount of the Shareholder Loans shall be deemed to have been fully repaid and the accrued but unpaid interests thereunder shall be waived on the Restructuring Effective Date.

## **7. NEW SHAREHOLDER LOAN**

Ms. Zeng proposes to, through Fantasy Pearl International Limited, provide or procure the provision of the New Shareholder Loan of USD6,000,000 to the Company to fund certain fees and expenses payable under the Proposed Debt Restructuring on or about the Restructuring Effective Date (the “**New Shareholder Loan**”).

The New Shareholder Loan will be unsecured, have no fixed maturity date and bear interest of 8% per annum. The New Shareholder Loan will be subordinated in right of payment to the Existing Notes, STN, LTN and MCB, and interest on the New Shareholder Loan will only be payable on demand if no cash interest under the STN and LTN is due and payable and outstanding at that time.

The terms of the New Shareholder Loan were determined after arm's length negotiation between the Company, the Ad Hoc Group and Ms. Zeng having considered that (i) the New Shareholder Loan will be unsecured, which means the New Shareholder Loan will not have recourse against any specific assets; (ii) the New Shareholder Loan will be subordinated in right of payment, which means it will rank lower in priority for repayment and is accordingly exposed to a higher risk when compared to senior loans; (iii) as interest will only be payable under the New Shareholder Loan if there is no cash interest outstanding under the STN and LTN, there is no guarantee interest will be paid under the New Shareholder Loan even if a repayment demand is made; (iv) the difficulties faced by the Company in accessing external financing given the distressed financial condition of the Company and the Proposed Debt Restructuring and related negotiations; (v) the prevailing market conditions and sentiment with regard to the real estate industry in the PRC, which is not expected to record significant growth in the near future; and (vi) repayment of fees and expenses payable under the Proposed Debt Restructuring is critical to the implementation of the Proposed Debt Restructuring, failing which there will be adverse consequences if the Company enters insolvent liquidation.

The Directors (other than Ms. Zeng who abstained from voting at the relevant Board meeting) consider the terms of the New Shareholder Loan to be fair and reasonable, on normal commercial terms or better and, although not in the ordinary and usual course of business, in the interests of the Company and the Shareholders as a whole.

## **8. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board proposes to seek the approval (by way of ordinary resolution at the EGM) of an increase in the Company's authorised share capital from HK\$800,000,000 divided into 8,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 22,000,000,000 unissued Shares, and for such Shares to rank *pari passu* in all respects.

As the Company's authorised share capital is insufficient to cater for the issuance of Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares, and in order to accommodate subsequent business development and provide the Company with greater flexibility to raise funds in the future, the Board has proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

### **EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

Set out below is the shareholding structure of the Company:

- (1) as at the date of this announcement;
- (2) immediately after issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares on the Restructuring Effective Date;
- (3) immediately after issuance of Scheme Creditor Shares, MCB Conversion Shares (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares;

in each case assuming there is no other change in the number of issued Shares or the holding of Shares or MCB (other than conversion) from the date of this announcement up to the maturity date of the MCB.

	As at the date of this announcement		Immediately after issuance of Scheme Creditor Shares, MCB Conversion Shares <sup>5</sup> (assuming RED Mandatory Conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares on the Restructuring Effective Date		Immediately after issuance of Scheme Creditor Shares, MCB Conversion Shares <sup>5</sup> (assuming full conversion at the initial MCB Conversion Price), Scheme Fee Shares and Capitalisation Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ms. Zeng <sup>1</sup>	3,314,090,500	57.41	7,743,645,539	42.74	7,749,378,655	39.94
Mr. Guo	–	–	49,209	0.00	98,417	0.00
TCL Industries Holdings Co., Ltd. <sup>2</sup>	1,012,740,000	17.54	1,012,740,000	5.59	1,012,740,000	5.22
Subscribers (other than Ms. Zeng and Mr. Guo) <sup>3, 4</sup>	–	–	7,914,359,176	43.69	9,194,505,584	47.39
Public Shareholders	<u>1,445,767,364</u>	<u>25.05</u>	<u>1,445,767,364</u>	<u>7.98</u>	<u>1,445,767,364</u>	<u>7.45</u>
<b>Total</b>	<u><u>5,772,597,864</u></u>	<u><u>100.00</u></u>	<u><u>18,116,561,288</u></u>	<u><u>100.00</u></u>	<u><u>19,402,490,020</u></u>	<u><u>100.00</u></u>

*Notes:*

1. Fantasy Pearl International Limited is owned as to 80% by Ice Apex Limited and 20% by Graceful Star Overseas Limited. Ice Apex Limited is wholly owned by Ms. Zeng. Ms. Zeng is deemed to be interested in the Shares held by Fantasy Pearl International Limited for the purpose of Part XV of the SFO.
2. Li Rong Development Limited held 1,012,740,000 Shares. Li Rong Development Limited is wholly owned by TCL Industries Holdings (H.K.) Limited which is in turn wholly owned by TCL Industries Holdings Co., Ltd. TCL Industries Holdings Co., Ltd. is deemed to be interested in the Shares held by Li Rong Development Limited for the purpose of Part XV of the SFO.

3. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, none of the Subscribers (other than Ms. Zeng and Fantasy Pearl International Limited) is a Shareholder as the date of this announcement.
4. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries after taking into account publicly available information, none of the Subscribers (other than Ms. Zeng and Fantasy Pearl International Limited) will be interested in 10% or more of the issued share capital of the Company immediately after the issuances of Shares on the Restructuring Effective Date and full conversion of the MCB, respectively, in each case assuming there is no other change in the number of issued Shares or the holding of Shares or MCB (other than conversion) from the date of this announcement up to the maturity date of the MCB and the MCB is converted at the initial MCB Conversion Price.
5. The number of MCB Conversion Shares is determined based on each custody instruction received (subject to rounding), assuming there is no voluntary conversion.

#### **REASONS FOR AND BENEFITS OF THE ISSUANCES OF SCHEME CREDITOR SHARES, MCB, STN, LTN, SCHEME FEE SHARES AND LOAN CAPITALISATION**

As at 30 June 2025, the Group had approximately RMB66,972 million of indebtedness, comprising (i) the Existing Debt Instruments; (ii) the Shareholder Loans; and (iii) other liabilities which are excluded from the Schemes and Loan Capitalisation. As disclosed in the Announcements, the Schemes and the Loan Capitalisation seek to address existing offshore indebtedness of the Group in the aggregate outstanding principal amount of approximately USD4,655 million.

Subject to the occurrence of the Restructuring Effective Date:

- (a) Scheme Creditors who have validly elected or been assigned or re-allocated Option 1, 2 and/or 3 of the Scheme Consideration will receive one or a combination of (Option 1) STN and MCB, (Option 2) LTN and Scheme Creditor Shares, and/or (Option 3) Scheme Creditor Shares; and

(b) the Group will achieve a significant deleveraging as it would discharge the Scheme Creditors' Claims (together with interest) in exchange for issuing the STN, LTN, MCB and Scheme Creditor Shares. As the tenor of either of the STN and LTN exceeds five years, none of the newly issued notes will be classified as current liabilities of the Group upon their issuance. Upon completion of the Loan Capitalisation, the Group will also compromise the Shareholder Loans, thereby achieving further deleveraging. The debt reduction as result of the aforesaid transactions will significantly improve the overall financial position of the Group and alleviate the immediate liquidity pressure on the Group.

Apart from the Proposed Debt Restructuring, the Board explored alternative fundraising methods such as equity financing, but the ongoing negotiations in relation to the Proposed Debt Restructuring made it challenging to seek fundraising alternatives for repaying the Existing Notes, Existing Additional Debt Instruments and Shareholder Loans. The Board was of the view that compromising the Existing Notes, Existing Additional Debt Instruments and Shareholder Loans in exchange for the issuance of new debt instruments for the same (or slightly reduced) principal amount would not adequately address the liquidity concerns faced by the Group. In the circumstances, the Board considered it would be more appropriate to issue the Scheme Creditor Shares and MCB as part of the Scheme Consideration and Capitalisation Shares under the Loan Capitalisation so that the Company could reduce the amount of outstanding indebtedness and alleviate liquidity pressures, whilst allowing holders of Shares to participate in the future returns of the Group as and when its business operations improve.

As the Scheme Creditor Shares, MCB, STN, LTN, Scheme Fee Shares and Capitalisation Shares are issued in connection with the Company's debt restructuring exercise, the Company will not receive any cash proceeds from such issuances.

Taking into account (i) the reasons for the issuance of Scheme Creditor Shares, MCB, STN, LTN, Scheme Fee Shares and Capitalisation Shares; (ii) the deleveraging to be achieved with respect to the Company's balance sheet; (iii) the significance of securing financial resources for settling fees and expenses under the Proposed Debt Restructuring (by virtue of the New Shareholder Loan); and (iv) the significance of Scheme Fee Shares as an incentive to facilitate implementation of the Proposed Debt Restructuring, the Board (other than the independent non-executive Directors (including Mr. Guo) and Ms. Zeng who abstained from voting at the relevant Board meeting) is of the view that the overall level of dilution resulting from the issuance of Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares is acceptable.

Having considered various reasons and factors set out above, the Directors (other than the independent non-executive Directors (including Mr. Guo) and Ms. Zeng who abstained from voting at the relevant Board meeting) consider the terms of the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and Loan Capitalisation (including the relevant issue/conversion prices) to be fair and reasonable, on normal commercial terms or better and, although not in the ordinary and usual course of business, in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors (other than Mr. Guo) will set out their views in the circular after taking into account the advice of the Independent Financial Adviser.

## **LISTING RULES IMPLICATIONS**

The Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares will be allotted and issued under the specific mandates to be sought from the Shareholders at the EGM.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Scheme Creditor Shares, MCB Conversion Shares, Scheme Fee Shares and Capitalisation Shares.

As at the date of this announcement, Ms. Zeng owns 100% of the issued shares of Ice Apex Limited, which owns 80% of the issued shares of Fantasy Pearl International Limited (an investment holding company), and Fantasy Pearl International Limited in turn owns approximately 57.41% of the issued Shares. As at the date of this announcement, Ms. Zeng also owns 100% of the issued shares of Baocollection Limited (an investment holding company), which is not interested in any Shares. Ms. Zeng is a non-executive Director, the controlling shareholder and a connected person of the Company. As at the date of this announcement, Ms. Zeng is interested in the Existing Notes in the aggregate outstanding principal amount of USD23,300,000 (comprising USD6,200,000 held by Fantasy Pearl International Limited and USD17,100,000 held by Baocollection Limited) and the Shareholder Loans in the aggregate outstanding principal amount of RMB1,211,949,289 (equivalent to approximately HK\$1,312,945,063).

Mr. Guo is an independent non-executive Director and a connected person of the Company. As at the date of this announcement, Mr. Guo is interested in the Existing Notes in the aggregate outstanding principal amount of USD200,000 but he is not interested in any Shares.

Accordingly, each of the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholder approval requirements under Chapter 14A of the Listing Rules. Ms. Zeng, Ice Apex Limited, Fantasy Pearl International Limited and their respective associates will be required to abstain from voting at the EGM in relation to the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation.

As the New Shareholder Loan is on normal commercial terms or better and is not secured by any assets of the Group, the New Shareholder Loan is fully exempt from reporting, announcement and independent shareholder approval requirements pursuant to Rule 14A.90 of the Listing Rules.

For the reasons stated above, Ms. Zeng is interested in the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation and Mr. Guo is interested in the issuance of Scheme Creditor Shares, MCB, STN and LTN and accordingly have abstained from voting on the resolutions of the Directors approving the said transactions. Other than Ms. Zeng and Mr. Guo, no Director is materially interested in the said transactions or the New Shareholder Loan and accordingly no Director is required to abstain from voting on the resolutions of the Directors approving such matters.

Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder is required to abstain from voting at the EGM in relation to the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares, the Loan Capitalisation and the Increase in Authorised Share Capital.

## **FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company has not conducted or announced any fund raising exercises in connection with any issue of equity securities during the 12 months immediately preceding the date of this announcement.

Other than (i) issuance of new Shares, MCB, STN and LTN in connection with the Proposed Debt Restructuring and the Loan Capitalisation and (ii) the New Shareholder Loan, the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises whether in connection with any onshore liability management exercise or otherwise when suitable fund-raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company.

The Group is principally engaged in the development and investment of residential and commercial properties, property management, and commercial property operations in the PRC.

## **GENERAL**

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the connected transactions in relation to issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation.

The Board has appointed Opus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (1) issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares, the Loan Capitalisation and Increase in Authorised Share Capital; (2) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; (3) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; and (4) the notice convening the EGM is expected to be dispatched to the Shareholders on or around 15 April 2026, so that the Company could have sufficient time to prepare information for inclusion in the circular.

**Shareholders and potential investors of the Company should note that the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation are subject to the satisfaction of certain conditions. Accordingly, the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation may or may not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and other investors are advised to seek professional advice from their own professional or financial advisers.**

## **DEFINITIONS**

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

“Ad Hoc Group”	an ad hoc group of Existing Noteholders who have assisted and devoted significant time to negotiate the terms of the Proposed Debt Restructuring
“Ad Hoc Group Work Fee Letter”	the work fee letter dated 1 August 2025 made between the Company and the Ad Hoc Group (as amended from time to time)

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Capitalisation Shares”	4,376,483,544 Shares to be allotted and issued pursuant to the Loan Capitalisation
“Cayman Court”	the Grand Court of the Cayman Islands
“Cayman Scheme”	the scheme of arrangement between the Company and the Scheme Creditors proposed to be made under section 86 of the Cayman Companies Act (2025 Revision) subject to any modification, addition or condition approved or imposed by the Cayman Court and/or otherwise approved in accordance with its terms
“Change of Control”	among other events,  (i) the Company merges with or into another person or sells all or substantially all of its assets to another person;

- (ii) Pan Jun or Ms. Zeng (or their estate or trust or certain of their affiliates) are the beneficial owners of less than 15% of the Shares or are the beneficial owners of a smaller portion of the Shares than the portion beneficially owned by any other person (including any group of persons who have agreed to act together for the purpose of acquiring, holding voting or disposing of the Shares);
- (iii) the current Directors (together with any new Directors approved by at least two-thirds of the current Directors) cease to constitute a majority of the Board; or
- (iv) the adoption of a plan relating to the liquidation or dissolution of the Company, in each case subject to certain exceptions

“Closing Price”

with respect to the Shares for any Trading Day, the price published in the daily quotation sheet published by the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day

“Colour Life”

Colour Life Services Group Co., Limited (stock code: 1778), a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the main board of the Stock Exchange

“Colour Life Shares”

shares of Colour Life owned by the Company (following closing of the TFI Restructuring Agreement) which shall be deposited into an offshore independent escrow account

“Company”	Fantasia Holdings Group Co., Limited (stock code: 1777), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consent Fee Share(s)”	173,935,261 Shares to be allotted and issued to the Participating Creditors holding Early Eligible Participating Debt as at the Early Consent Fee Deadline who have validly elected to receive the early consent fee in the form of Shares in accordance with the terms of the RSA
“Director(s)”	the director(s) of the Company
“Early Consent Fee Deadline”	5:00 p.m. Hong Kong time on 3 October 2025
“Early Eligible Participating Debt”	any such participating debt which became subject to the RSA by any Participating Creditor on or prior to the Early Consent Fee Deadline
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares, the Loan Capitalisation, the Increase in Authorised Share Capital and the transactions contemplated thereunder
“Existing Additional Debt Instrument”	additional debt instruments (other than the Existing Notes) where the Company is a debtor and/or an obligor

“Existing Noteholder”	a person with an economic or beneficial interest in the Existing Notes as principal and often described (non-technically) as being a ‘bondholder’ or ‘noteholder’
“Existing Notes”	the public debt securities issued by the Company comprising 13 different series of publicly traded senior notes
“Fantasia Group China”	Fantasia Group (China) Co., Ltd. (花樣年集團(中國)有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of the Company as at the date of this announcement
“Fantasia Investment”	Fantasia Investment Holdings Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	the High Court of Hong Kong and any court capable of hearing appeals therefrom
“Hong Kong Scheme”	the scheme of arrangement proposed by the Company as approved by each Scheme Creditor and the Hong Kong Court with or without modification and implemented in accordance with its terms as sanctioned
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$800,000,000 divided into 8,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 22,000,000,000 unissued Shares
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors who do not have a material interest in the matters to be considered at the EGM, namely Mr. Leung Yiu Cho and Mr. Ma Yu-heng
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, who is appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the connected transactions in relation to issuance of Scheme Creditor Shares, MCB, STN, LTN and Scheme Fee Shares and the Loan Capitalisation
“Independent Shareholders”	Shareholders other than Ms. Zeng, Ice Apex Limited, Fantasy Pearl International Limited and their respective associates
“Last Trading Day”	13 March 2026, being the date of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan Capitalisation”	the settlement of the Shareholder Loans in the aggregate outstanding principal amount of RMB1,211,949,289 by way of issuance of Capitalisation Shares
“LTN”	3% guaranteed and secured notes due 2034 to be issued by the Company on the Restructuring Effective Date, as part of the Scheme Consideration
“MCB”	USD501,183,055 zero coupon mandatory guaranteed convertible bonds due 2027 convertible at the initial MCB Conversion Price of HK\$1.52 per Share
“MCB Conversion Price”	the price per MCB Conversion Share (subject to adjustments) at which the MCB may be converted into Shares
“MCB Conversion Share(s)”	the Share(s) to be allotted and issued upon conversion of the MCB pursuant to the terms and conditions thereof
“Mr. Guo”	Mr. Guo Shaomu, an independent non-executive Director
“Ms. Zeng”	Ms. Zeng Jie, Baby, the controlling Shareholder and a non-executive Director
“New Shareholder Loan”	has the meaning as defined in the section headed “7. <i>New Shareholder Loan</i> ” of this announcement
“OCP Loan”	the credit facility pursuant to the facility agreement originally dated 20 December 2019, as amended and restated from time to time, between, among others, An Chuang Group Limited* (安創集團有限公司) as issuer, the Company and Madison Pacific Trust Limited as agent

“Option”	any of the three options for Scheme Consideration, designed to enable each Scheme Creditor to ‘pick and choose’ what Scheme Consideration is best suited to their individual circumstances
“Participating Creditor”	any Scheme Creditor who has agreed to be bound by the RSA as a Participating Creditor in accordance with the terms of the RSA
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Project Moonlight Secured Account”	has the meaning as defined in the section headed “3. <i>STN</i> ” of this announcement
“Proposed Debt Restructuring”	the financial restructuring of certain offshore indebtedness of the Group in accordance with and as intended to be implemented through the Schemes
“Record Time”	the cut-off date when interests of each Scheme Creditor are assessed and need to be recorded for the purposes of each Scheme
“RED Mandatory Conversion”	has the meaning as defined in the section headed “2. <i>MCB</i> ” of this announcement
“Relevant Event”	the occurrence of any of the following events: <ul style="list-style-type: none"> <li>(i) when the Shares cease to be listed or admitted to trading on the Stock Exchange (or if applicable, the Alternative Stock Exchange);</li> </ul>

(ii) when the Shares are suspended for trading for a period equal to or exceeding 60 consecutive Trading Days on the Stock Exchange (or if applicable, the Alternative Stock Exchange); or

(iii) when there is a Change of Control

“Relevant Event Redemption Notice Period”	the period of 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to the holders of the MCB by the Company in accordance with the terms and conditions of the MCB
“Restructuring Effective Date”	the effective date of the Proposed Debt Restructuring
“RMB”	Renminbi, the lawful currency of the PRC
“RSA”	the restructuring support agreement dated 1 August 2025 entered into by the Company and the initial consenting creditors as amended, supplemented and/or restated from time to time, including by accession or cessation of parties thereto
“Scheme Consideration”	collectively, the STN, LTN, Scheme Creditor Shares and MCB
“Scheme Creditor Share(s)”	5,143,723,515 Shares to be allotted and issued as part of the Scheme Consideration
“Scheme Creditor(s)”	any person who has a beneficial interest as principal under any of the Existing Debt Instruments as at the Scheme Record Date

“Scheme Creditors’ Claims”	as applicable, the aggregate amount of (a) the principal of the Existing Notes owned or held by each Scheme Creditor as is payable and outstanding at the Record Time; and (b) the principal of the Existing Additional Debt Instruments owned or held by each Scheme Creditor as is payable and outstanding at the Record Time, and any other claim or liability whatsoever or howsoever arising under or related to any Existing Notes and Existing Additional Debt Instruments
“Scheme Fee Share(s)”	collectively, the Consent Fee Shares and Work Fee Shares
“Scheme Meetings”	collectively, the meetings of Scheme Creditors convened in accordance with the order from the Hong Kong Court and the order from the Cayman Court for approving the Hong Kong Scheme and the Cayman Scheme, respectively
“Scheme Record Date”	the date designated for the determination of entitlement to the Scheme Consideration
“Schemes”	the Hong Kong Scheme and the Cayman Scheme
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Loans”	has the meaning as defined in the Appendix to this announcement

“STN”	3% guaranteed and secured notes due 2031 to be issued by the Company on the Restructuring Effective Date, as part of the Scheme Consideration, consent fee(s) payable pursuant to the RSA and/or additional work fee payable pursuant to the Ad Hoc Group Work Fee Letter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the Scheme Creditors who will be allotted and issued the Scheme Creditor Shares, MCB, STN, LTN and/or Scheme Fee Shares on the Restructuring Effective Date
“Subsidiary Guarantors”	Fantastic Victory Limited, Fantasia Investment, Fantasia Financial Community Group Co., Ltd., Fantasia Financial Community Group (Hong Kong) Co., Limited and Hong Kong Huawanli Trading Co., Limited, each a subsidiary of the Company as at the date of this announcement
“TFI Restructuring Agreement”	the deed of restructuring dated 2 January 2026 and entered into among the Company, TFI Securities and Futures Limited and Splendid Fortune Enterprise Limited
“Trading Day”	a day when the Stock Exchange or, as the case may be an Alternative Stock Exchange is open for the business of dealing in securities, <i>provided that</i> for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days

“USD”	United States Dollar, the lawful currency of the United States of America
“Voluntary Conversion Period End Date”	(a) the date falling 10 Trading Days prior to the maturity date of the MCB; (b) if such MCB shall have been called for redemption by the Company before the maturity date of the MCB, then the date falling 10 Trading Days prior to the date fixed for redemption thereof; or (c) if notice requiring redemption has been given by the holder of such MCB, then the Trading Day prior to the giving of such notice
“Work Fee Share(s)”	1,363,891,506 Shares to be allotted and issued to the Ad Hoc Group in accordance with the terms of the Ad Hoc Group Work Fee Letter

*In this announcement, translation of RMB into HK\$ and USD into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.08 and USD1.00 to HK\$7.80, respectively. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rate or at all.*

\* *for identification purpose only*

By order of the Board  
**Fantasia Holdings Group Co., Limited**  
**CHENG Jianli**  
*Chairman*

Hong Kong, 13 March 2026

*As at the date of this announcement, the executive directors of the Company are Ms. Cheng Jianli, Mr. Timothy David Gildner and Mr. Lin Zhifeng; the non-executive directors of the Company are Ms. Zeng Jie, Baby and Mr. Su Boyu; and the independent non-executive directors of the Company are Mr. Leung Yiu Cho, Mr. Guo Shaomu and Mr. Ma Yu-heng.*

## Appendix

### Shareholder Loans

“**Shareholder Loans**” means the following:

- (1) a loan with outstanding principal amount of RMB70,000,000 and interest rate of 9% per annum made to Fantasia Group China on 19 July 2021, which was novated on 30 June 2022 with the Company as the borrower and Fantasy Pearl International Limited as the lender;
- (2) a loan with outstanding principal amount of RMB20,000,000 and interest rate of 9% per annum made to Fantasia Group China on 30 July 2021, which was novated on 30 June 2022 with the Company as the borrower and Fantasy Pearl International Limited as the lender;
- (3) a loan with outstanding principal amount of RMB20,000,000 and interest rate of 9% per annum made to Fantasia Group China on 10 August 2021, which was novated on 30 June 2022 with the Company as the borrower and Fantasy Pearl International Limited as the lender;
- (4) a loan with outstanding principal amount of RMB483,500,000 and interest rate of 9% per annum made to Fantasia Group China on 17 June 2021, which was novated on 30 June 2022 with the Company as the borrower and Fantasy Pearl International Limited as the lender;
- (5) a loan with outstanding principal amount of USD17,000,000 and interest rate of 9% per annum made by Fantasy Pearl International Limited to Fantasia Investment on 16 July 2021;
- (6) a loan with outstanding principal amount of USD10,000,000 and interest rate of 9% per annum made by Fantasy Pearl International Limited to Fantasia Investment on 19 July 2021;
- (7) a loan with outstanding principal amount of USD200,000 and interest rate of 9% per annum made by Fantasy Pearl International Limited to Fantasia Investment on 29 July 2021;

- (8) a loan with outstanding principal amount of HK\$170,000,000 and interest rate of 9% per annum made by Fantasy Pearl International Limited to Fantasia Investment on 28 July 2021; and
- (9) a loan with outstanding principal amount of HK\$287,826,730 and interest rate of 9% per annum made by Fantasy Pearl International Limited to Fantasia Investment on 11 August 2021.