

Fantasia Holdings Group Announced 2009 Annual Results

Net Profit jumped 3.4 times to RMB373 million exceeding the annual earnings guidance given at IPO

- In 2009, total revenue of Fantasia grew significantly to RMB2,459 million, up 109.4% over the same period of last year.
- Gross profit margin increased steadily to 41.8% in the reporting period from 40.0% in 2008, thanks to effective control of land and construction costs.
- Profit attributable to equity holders jumped 3.4 times over the previous year to RMB373 million, exceeding earnings guidance given at IPO.
- Basic earnings per share for 2009 was RMB 0.10, 328% over that of last year.
- The Company's total debt to shareholder equity was 91%, with a net cash position as of 31 December 2009.
- The Company successfully listed on Hong Kong Stock Exchange in November 2009, raising a total of HK\$2,679 million. As of the end of 2009, the Company's cash and cash equivalents were approximately RMB3,886 million.
- To share its business success with investors, the Board of the Company recommended a final dividend of 1.75 HK cents per share for 2009.

22 March, 2010, Hong Kong - Fantasia Holdings Group Co., Limited ("Fantasia" or "the Company", HKSE stock code 1777), a leading property developer and property related services provider in China, is pleased to announce the audited financial results of the Company and its subsidiaries for the year ended 31 December 2009.

In 2009, Fantasia has continually focused on the four most economically prosperous regions in the country, namely: the Chengdu-Chongqing Economic Zone, the Pearl River Delta, the Yangtze River Delta, and the Beijing-Tianjin Metropolitan Area. Targeting middle- to upper-class individuals and families as well as high-growth small and medium enterprises (SMEs), the Company has further strengthened its competitive advantage, building on its unique positioning in boutique upscale residences and urban complexes. Responsive to accelerated demand in China's real

estate market in 2009, the Company grew its business, capitalizing on available market opportunities.

Remarkable Financial Results

For the fiscal year ended 31 December 2009, Fantasia's total revenue increased by 109.4% over the same period of last year to approximately RMB2,459 million. Representing 95% of the total revenue, revenue from sales of developed properties and lease of investment properties was approximately RMB2,333 million with a total floor area of approximately 353,000 square meters, up 116.0% and 124.6% year on year respectively.

Gross profit increased by 118.7% to approximately RMB1,027 million in 2009 from RMB469 million in 2008. Gross profit margin improved to 41.8% in 2009 from 40.0%, thanks to the effective adjustment of the Company's product portfolio and continued efforts in cost control over land acquisition and construction. The average land cost was about RMB624 per square meters in 2009, representing 9.5% of average selling price.

Profit attributable to the equity holders of the Company reached approximately RMB373 million, a significant increase of 3.43 times over RMB84 million in 2008, benefiting from improved economies of scale. The increase in selling and distribution expenses was substantially lower than the increase in the total revenue, as net profit margin grew to 15.2% in 2009 from 7.2% in 2008. Basic earnings per share for 2009 was RMB 0.10. To share its business success with the investors, the Board recommended a final dividend of 1.75 HK cents per share, over 20% payout ratio, for the year ended 31 December 2009.

Mr. Pan Jun, the Chairman and Chief Executive Officer of the Company commented, "China's real estate market in 2009 was undoubtedly an eventful year with ups and downs. In this complex and volatile environment, Fantasia focused on strengthening its leading positions in the Chengdu-Chongqing Economic Zone and the Pearl River Delta, while actively penetrating and expanding scale of operations in the Yangtze River Delta and the Beijing-Tianjin Metropolitan Area. With our high quality products and services, as well as our strong brand, we achieved accelerated property sales, which propelled the overall growth of our business and was fully reflected in our annual earnings last year."

Strong Contract Sales

During the reporting period, the Company achieved contract sales of RMB3,747 million and approximately 433,000 square meters, which represents year-on-year growth of 247% and 263% respectively. The Company's contract sales were derived from 14 projects across 5 cities in 2009, as compared to 8 projects the year before.

Despite the fact that contract sales from the Chengdu-Chongqing Economic Zone and the Pearl River Delta made up 89% of the Company's total contract sales, Fantasia is committed to a balanced development among the four major geographical markets through effective land bank acquisition strategy.

During the reporting year, newly launched and completed projects amounted to 689,673 square meters and 506,566 square meters respectively, while the total Gross Floor Area (GFA) of projects under construction (including projects under construction and projects completed in 2009) was 1,805,300 square meters. During the year, total saleable area was approximately 766,159 square meters.

Sustained Land Bank Advantage

Fantasia maintained its advantage in acquiring land at low cost, by remaining prudent in its land acquisitions and leveraging the Company's insight and experience to thoroughly evaluate opportunities over diversified land acquisition channels. During the reporting year, the Company acquired a total of 26 plots of land in the Chengdu-Chongqing Economic Zone and the Pearl River Delta with an aggregate planned GFA of approximately 2.09 million square meters. This is expected to provide a total area of approximately 1.97 million square meters available for sale.

As of 31 December 2009, the Company's total land bank amounted to approximately 10.43 million square meters, sufficient for a 3 to 5 year development plan. This includes a planned GFA of approximately 5.46 million square meters with land use rights (or approved land use right pending issuance of certificates), and a planned GFA of approximately 4.97 million square meters under framework agreements entered into with local governments or relevant third parties. The Company also succeeded in acquiring land in Wuxi and Suzhou, both located in the Yangtze River Delta, in early 2010 – which not only extended its land bank coverage, but is also in line with its strategy of balancing our future development among the four key regions in China.

Optimistic of Future Development

By continually focusing on urban residential complexes and boutique upscale residences in the four regional markets, 2010 will be a year of rapid development for Fantasia despite the challenges from relatively tight state macro policies. The Company will also explore into hotel development and management, as a complementary commercial service offering, in order to secure ongoing value increases for its properties. The management guided that in 2010 areas of newly launched projects, completed projects and available for sale will reach 1.11 million square meters, 600 thousand square meters and 1.13 million square meters respectively.

Chairman Mr. Pan continued, “We are of the view that in 2010 China’s property market is likely to be affected by a relatively tight industry-specific government policy, nevertheless China’s overall economy will maintain a relatively high growth rate, while the real estate market will return to a rational and healthy development path. Looking forward, we will continue to act prudently in land acquisition, and seize market opportunities so as to strengthen the Company’s business position in the four key regional markets, while providing customers with quality products and services, as well as continuously creating value for our shareholders.”

Fantasia Group

Founded in 1996, Fantasia Group is a leading property developer and property related service provider in China. Fantasia has a property development portfolio strategically located across four of China's most economically prosperous regions, namely the Chengdu-Chongqing Economic Zone, the Pearl River Delta region, the Yangtze River Delta region and the Beijing-Tianjin metropolitan region, focusing on developing projects of urban complexes and boutique upscale residences.

Fantasia was successfully listed on the Stock Exchange of Hong Kong in November 2009 under the stock code "1777". Fantasia has created an operating model of bringing property development, property management and property agency businesses under one roof. It is the only property company in China with members of the group being ranked among the 2009 China Top 100 Real Estate Developers, the 2009 China Top 100 Real Estate Agencies and the 2009 China Top 100 Property Management Companies by the China Real Estate Top 10 Research Team.

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