

## **Fantasia Holdings Group Announced 2010 Annual Results**

**Net profit surged 116.2% to RMB807 million**

**Extended business footprint from seven to 11 cities in China**

- In 2010, Fantasia's total revenue surged to RMB4,471 million, up 81.9% over the same period last year
- Gross profit margin increased steadily to 43.0% in 2010 from 41.8% in 2009, as a result of tight oversight of land acquisition costs and effective control of construction costs
- Net profit attributable to equity holders of the Company increased significantly to RMB807 million in 2010, up 116.2% YoY
- Basic earnings per share for 2010 were RMB 0.17, up 70.0% over the previous year
- As of 31 December 2010, the Company's net gearing ratio was 69.0% and cash on hand was RMB2,457 million, suggesting a strong financial position
- The Board of the Company recommended a final dividend of 4 HK cents per share for 2010

15 March, 2011, 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 2010.

## **Exceptional performance amid tightening macro environment**

For the financial year ended 31 December 2010, Fantasia's revenue grew 81.9% year-on-year to approximately RMB4,471 million, of which revenue derived from property development increased by 86.1% from the previous year to RMB4,320 million. This increase was primarily attributable to an increase in total completed Gross Floor Area ("GFA") and also due to an increase in average selling price.

Gross profit increased by 87.4% to approximately RMB1,925 million in 2010 from RMB1,027 million in 2009, with gross margin increasing measurably to 43.0% in 2010 from 41.8%. This was in line with the increase in total revenue and the optimization of Fantasia's product mix.

Net profit attributable to equity holders of the Company reached RMB807 million, representing a 116.2% growth over RMB373 million recorded in 2009, thanks to the increase in property sales recognised in 2010 and the positive change in fair value on investment properties. Nevertheless, excluding the impact from the change in fair value on investment properties and net of the effect on relevant taxation and minority interests, the net profit from the Company's core business was approximately RMB540 million, representing a 49.3% year-on-year increase. Net profit margin significantly increased to 18.1% in 2010 from 15.2% in 2009. Basic earnings per share in 2010 were RMB0.17, up 70% over last year.

Fantasia's Chairman and CEO Mr. Pan Jun commented, "Despite the volatility seen in the domestic property market in 2010, Fantasia continued to pursue a strategic focus on both urban complex and boutique upscale residence. We managed to further expand our advantages in urban complex, a segment that suffered the least impact from the state's stringent tightening policies. We have been advancing deeper into four of the most economically prosperous regions in China, developing quality projects at a reasonable cost. We continued to enhance our local capabilities in each of these regions, particularly in those newly entered areas. I am pleased to see such efforts paying off in the steady and healthy growth of our business."

## **Steady Growth on Contract Sales**

In 2010, Fantasia realized contract sales of RMB3,892 million, from a contract sale area of 382,154 square meters. These properties sold under contract are from 15 projects in seven different cities, including two new cities, namely Suzhou and Huizhou. The diverse location of these sales demonstrates great progress in our effort to diversify revenues. The bulk of these contract sales were contributed by four projects, namely Shenzhen Love Forever, Chengdu Meinian International Plaza, Chengdu Hailrun Plaza and Tianjin Hailrun Plaza.

During the reporting period, the Company's GFA under construction was 1,538,180 square meters, including 221,309 square meters of newly commenced construction projects and 554,242 square meters of completed projects.

## **Prudent expansion of land bank**

Fantasia continued to focus on China's four most prosperous economic regions, namely the Yangtze River Delta, the Pearl River Delta, the Chengdu-Chongqing Economic Zone and the Beijing-Tianjin Metropolitan Area. As a result, the Company entered four major municipalities, namely Guilin, Dali, Wuxi and Nanjing, extending its footprint from seven to 11 cities. Such moves enable Fantasia to have a more balanced geographic presence. The Company obtained ten parcels of additional land in Dali, Wuxi, Tianjin, Dongguan, Guilin, Suzhou, Nanjing and Chengdu, with planned GFA of approximately 4.45 million square meters and an average land acquisition cost below RMB900 per square meter.

As of 31 December 2010, Fantasia's planned GFA from its total land bank amounted to 13.94 million square meters of which the planned GFA with land use rights was 8.92 million square meters, up approximately 63% year-on-year. The attributable land bank in terms of planned GFA was 13.88 million square meters. Fantasia's land bank is sufficient to meet its planned development needs for the next three to five years.

## Outlook

The macroeconomic environment of the property market in China remains challenging, and we foresee continued regulatory impact on the residential market in particular. The Company anticipates that the non-residential market offers relatively more favourable prospects. Therefore, Fantasia will continue to focus on developing urban complex and upscale boutique residence projects in its four core regions. To expand its leading position in this area, Fantasia will speed up the construction and sale of urban complex projects in cities such as Chengdu, Tianjin, Shenzhen and Wuxi. In the meantime, Fantasia will continue to explore the development and management of high-end hotels, in partnership with world-renowned hotel operators. With positive prospects in 2011, management expects to achieve its targets for area of newly commenced projects, completed projects and projects available for sale of 1.4 million square meters, 650,000 square meters, and 1.5 million square meters respectively.

Mr Pan Jun concluded, "China's property market has been experiencing volatility since 2007, but we anticipate the degree of such volatility will gradually smooth out when the country's monetary policy stabilized. In 2011, supported by a sound financial position, we will build our capabilities across multiple locations for more balanced growth, while remaining vigilant and flexible so as to be able to adapt to unforeseen external changes in the market place."

\* \* \* \* \*

### 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. It is ranked as Top 100 Real Estate Developers in China.

\* \* \* \* \*

### **Media Contact :**

**Brunswick Group : [fantasia@brunswickgroup.com](mailto:fantasia@brunswickgroup.com)**

Ms. ZHAO Tong

Ms. Crystal CHAN

Ms. Nina ZHAN

Tel : (852) 3512-5088

Tel : (852) 3512-5032

Tel : (852) 3512-5035