

Fantasia Holdings Group Announces 2012 Annual Results

Buck the Tends by Recording Contract Sales of RMB8 billion

Overfulfilled the RMB7.2 billion Annual Sales Target

Business Review

- Total Contract sales for the year of 2012 recorded over RMB8 billion and reached approximately 111% of the annual sales target of RMB7.2 billion
- Total revenue has increased by 11.4% over last year to RMB6,230 million
- Gross profit amounted to RMB2,520 million, gross profit margin remained at a high level of 40.5%
- The Group's profit for the year attributable to the owners of Fantasia increased by 7.8% to RMB1,139 million; net profit contributed by the core business increased by 3.8% to RMB892 million compared to last year
- Basic earnings per share for the year 2012 was RMB0.22, up 4.8% over last year
- As at 31 December 2012, the Group's total bank balances and cash was approximately RMB3,496 million, increased by 161.7% year-on-year
- The Board of the Company proposed a final dividend of HKD 5.5 cents per share, the proposed final dividend will be paid after the receipt of approval by shareholders of the Group at the annual general meeting
- The Group successfully issued US\$250 million 13.75% senior notes due 2017 and US\$250 million 10.75% senior notes due 2020 in September 2012 and January 2013, respectively

19 March 2013, Hong Kong - **Fantasia Holdings Group Co., Limited** ("Fantasia" or "the Group", SEHK stock code 1777), a leading property developer and property related services provider in China, announces Annual Results of the Group for the financial year ended 31 December 2012.

Overfulfilled Annual Sales Target of RMB7.2 Billion in Reliance upon the "Rigid Demand" and "the Complexes Free from the Purchase Restriction"

As at 31 December 2012, Fantasia achieved a total revenue amounted to RMB6,230 million, increased by 11.4% over last year, among them revenue derived from property development

increased by 9.1% to approximately RMB5,885 million in 2012 as compared to that in 2011. Gross profit increased by 5.4% to approximately RMB2,520 million in 2012 from approximately RMB2,392 million in 2011, gross profit margin maintained at a high level of 40.5% in 2012. Profit attributable to owners of the Company increased by 7.8% to approximately RMB1,139 million in 2012 from approximately RMB1,057 million in 2011. This increase was due primarily to an increase in properties recognized in 2012 as compared to that in 2011. Basic earnings per share for the year 2012 was RMB0.22, up 4.8% over last year.

Issue US\$250 million Senior Notes

The Group successfully issued US\$250 million 13.75% senior notes due 2017 and US\$250 million 10.75% senior notes due 2020 in September 2012 and January 2013, respectively. The issues were crucial for the Group to replenish cash and secure promising investment projects in an unfavorable market.

Mr. PAN Jun, Chairman and CEO of Fantasia, commented, “2012 was an extraordinary year for Fantasia. In despite of the increasing effect of the macro control on the real estate industry and the slump of the overall market lasted until the end of the year, Fantasia formulated the operating strategy of “Being Steady and Prudent” at the beginning of the year with an emphasis on the safe management of the cash flows and the capital, and carried out the sales by means of active marketing. Through the reliance upon the “rigid demand” products and “the complexes free from the purchase restriction” as well as the cash flows and the profits, the Group managed to record contract sales of RMB8 billion, representing a year-on-year increase of 14.4%. In addition to the expansion of the real estate business, Fantasia has accomplished the entry into the hotel business and the commercial fields in related industries, since the listing in three years ago. By 2012, Fantasia has grown into a financial holding group covering eight major areas of value-added services, namely financial service, community service, property management, real estate development, business management, hotel management, cultural tourism and senior housing, and has been steadily carrying out all the plans set in accordance with the strategy. It will bring a broader vision and platform to Fantasia.”

Operating Strategy of “Being Steady and Prudent” and Active Marketing Means to Make a Significant Increase in the Revenue from the Major Businesses

1. Real Estate Development

During the reporting period, the Group recorded contract sales of RMB8,014 million and contract sales area of 959,905 sq.m., of which, RMB3,911 million and 307,861 sq.m. were derived from urban complex projects, accounting for 49% of the total sales. The contract sales contribution of real estate business were mainly derived from 10 cities, including Chengdu and Shenzhen, and 19 projects, namely Shenzhen Fortune Plaza, Chengdu Future Plaza, Chengdu Funian Plaza, Chengdu Fantasia Town, Dongguan Wonderland and Huizhou Fantasia Special Town. This reflects that, as a result of the continuous efforts over the past years, the branch companies in the cities have become more mature by virtue of the operating experience accumulated, and have established favorable reputation and influences in the local markets, and this resulted in the more balanced business development of the Group and a continuous growth in the contributions from different regions.

In 2012, the Group had 10 projects or phases of projects which were newly developed with a total planned gross floor area of approximately 1,454,515 sq.m., and had 9 projects or phases of projects completed, with a total gross floor area of approximately 979,928 sq.m.. As at 31 December 2012, the Group had 14 projects or phases of projects to be developed with a total planned gross floor area of approximately 5,353,683 sq.m.. The planned gross floor area of the Group’s land bank amounted to approximately 8.02 million square meters and the planned gross floor area of properties with

framework agreements signed amounted to 4.69 million sq.m..

2. Community Service and Property Operation

The property operation business of the Group experienced continuous rapid growth during the reporting period. Shenzhen Colour Life Services Group Co., Limited (深圳市彩生活服務集團有限公司), a subsidiary of the Group, acquired a number of property management companies. As at 31 December 2012, the Group managed a total of 437 projects, representing a growth of 38% as compared to last year, with the area under management totaling about 50.31 million sq.m., representing a year-on-year increase of 65%. In 2012, Colour Life Services Group has expanded its business development to 24 core cities where 6 cities were newly entered, namely Ganzhou, Shangrao, Nanjing, Ningxia, Xiamen and Beijing while Xi'an and Shanghai were the cities where the Group has commenced the operation of property service business. This has formulated an initial strategic layout which covers the core cities scattered all over the nation. Colour Life Services Group has become a large-scale property service group with 4 quality corporations for first class property and 3 quality corporations for second class property, indicating a significant rise in the reputation of the community services brand of Colour Life, and it has been transformed to a community service operator with the online and offline business service platforms from a traditional property management company. In order to face challenges brought by the rising labor cost of property services and accommodate the demand for community services in an era of mobile communication, the Group has taken the initiative to promote Colour Life V2.0 model on the basis of information technology infrastructure and Fantasia believes this would further increase service efficiency for the community, the replicability of community management, the ability of seamlessly integrating the offline business to online business and upon the conception "Bring our service into every household in the community" to enhance leading favorable position relative to the majority of traditional community management companies which engage in fundamental property management only. Thus contribute to the development of Colour Life Service Group as a leading integrated services provider for offering services to mini commercial areas with radius of five miles long extending from the community.

3. Hotel Management

In 2012, the Group accelerated its pace to initiate cooperation with international well-known hotel management enterprises. The Group signed a strategic alliance memorandum with Starwood Hotels & Resorts Worldwide, Inc. (喜達屋酒店管理集團) to establish a long-term and amicable cooperating relationship and allow Fantasia to further expand its cooperation platform with international well-known hotel management groups. Meanwhile, Fantasia is committed to building its own boutique hotel brands and established the positioning and analysis on the proprietary brand of "U" hotel and "HYDE" hotel. During the reporting period, the hotel projects in Chengdu, Suzhou and Guilin had progressed smoothly. Rhombus Fantasia Chengdu Hotel, the flagship hotel of Fantasia Group in Chengdu, was awarded "Top 10 Newly Opened Hotels in China" (中國十佳最新開業酒店大獎) from the 2012 China Hotel Starlight Awards (中國酒店星光獎) and "Best Innovative Hotel" (最佳創意酒店獎) from the Example of China Annual Media Award (榜樣中國年度傳媒大獎). By the end of 2012, there were four hotels operating under the name of Fantasia. In the coming 3-5 years, Fantasia plans set up approximately 16 hotels in regions such as Shenzhen, Tianjin, Chengdu, Suzhou and Guilin, with a total gross floor area of approximately 280,000 sq.m..

4. Business Management

Shenzhen Fantasia Business Management Company Limited, a subsidiary of the Group, actively participated in certain large-scale business solicitation, business planning and investment invitation

projects of the Group, and has successfully introduced two big supermarkets, international fashion brands and international cinemas into the Nanjing Yuhuatai Project (南京花生唐) and Guilin Huashengtang (桂林花生唐). This has attracted other renowned domestic and international brands into such commercial projects and improved the recognition of the Huashengtang (花生唐) series of projects in the market. The Group believes that Fantasia Business Management will experience a stable and sustainable growth in the future.

Draw Up Ten-year Development Plan to Enhance the Financial Holding and Strategic Control Functions of the Group and Implement a Three-level Control Structure

Looking ahead, Fantasia comes to realize the importance of “innovation” and “experience service”, and will formulate a detailed strategy for the future development in the next ten years. The group will systematically draw up the development plans for the eight major value-added business segments of the Group in the next 10 years which can be summarized as the “1232”. Namely, “1” stands for one engine: the financial service platform to drive the other business segments through the provision of financial support; “2” stands for two platforms: to build a community network service platform and a property management service platform for small to medium enterprises to serve a broad customer base; “3” stands for three transitions: the three asset-intensive businesses, namely the real estate, commerce and hotel businesses, gradually transit to the development model oriented by a light asset base through financial leveraging; The last “2” stands for two cultivation plans: to cultivate unique business models for the cultural tourism segment and the senior housing segment and make sure they are capable of rapid expansion in the market. Fantasia will further improve the integration of the whole business chain of real estate by implementing industrialization. Meanwhile, Fantasia will develop financial business with the support of our real estate and various service platforms and actively seek investment opportunity in overseas emerging markets, in order to integrate the eight businesses of the Group with a global vision. The Group will define the pursuit of innovative business model, unique grade and taste and rich business content as the corporate mission, and devote them to becoming a leader for the interesting, tasteful and colorful living space and experience.

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Fantasia Group

Founded in 1996, Fantasia Group is a leading financial and property services provider in China, with a business model driven by financial operations, anchored on services, and supported by property development. It is committed to be the leading provider for interesting, tasteful and colourful living space and experience. Fantasia’s property development portfolio of urban complexes and boutique upscale residences is strategically distributed across four of China’s most economically prosperous regions, namely the Chengdu-Chongqing Economic Zone, the Pearl River Delta, the Yangtze River Delta and the Beijing-Tianjin metropolitan area. Fantasia was successfully listed on the main board of the Stock Exchange of Hong Kong in November 2009 under the stock code “1777”. It is ranked as one of the Top 100 Real Estate Developers in China.

This press release is distributed by Wonderful Sky Financial Group Limited on behalf of Fantasia.

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