



Fantasia Holdings Group Announces 2013 Annual Results

Overall Competitiveness Enhanced by Community Value Added Business Full-year Contract Sales in Excess of RMB10 Billion

Business Review

- ✓ The 2013 full-year contract sales amounted to approximately RMB10.17 billion; total revenue increased 16.9% year-on-year to approximately RMB7,280million
- ✓ Its gross profit grew 10.9% year-on-year to approximately RMB2,794million while its gross profit margin remained at a high level of 38.4%
- ✓ The profit attributable to owners of the Group increased by 6.7% to approximately RMB1,215 million.
- ✓ The basic earnings per share for the full year of 2013 was RMB0.23
- ✓ The Group's bank balance and cash as at 31 December 2013 was approximately RMB3,632million, representing an increase of 3.9% as compared to that as at 31 December 2012
- ✓ The Group issued senior notes in the amount of US\$250 million at an interest rate of 10.75% due 2020 and RMB1 billion at an interest rate 7.875% due 2016 in January and May 2013, respectively, further improving the Company's debt structure
- ✓ The board of directors of the Company proposed a final dividend of HKD 6.68 cents per share in respect of the year 2013, subject to shareholders' approval at the upcoming annual general meeting.
- ✓ As at 31 December 2013, the planned GFA of the Group's land bank amounted to approximately 8.70 million square meters, and the planned GFA of properties with framework agreements signed amounted to 8.13 million sq.m..

18 March 2014, 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 full year ended 31 December 2013.

As at 31 December 2013, the Group achieved a total revenue amounted to approximately RMB7,280 million, increased by 16.9% over the same period last year. In accordance with the Group’s development plan, the Group’s total gross floor area delivered to purchasers increased as compared to the corresponding period in 2012. During the period under review, its gross profit increased by 10.9% to approximately RMB2,794 million as compared to that in 2012. Its gross profit margin remained at a high level of 38.4%. The profit attributable to owners of the Group increased by 6.7% to approximately RMB1,215 million. The basic earnings per share for the full year of 2013 was RMB0.23.

Mr. PAN Jun, Chairman and CEO of Fantasia, commented: “2013 marked the first year for Fantasia’s 10-year strategy. The world economy slowed down as a whole and the Chinese economy faced downward pressure. Though the control policies remained in place for the whole year, the domestic real estate market was the most prosperous over the past five years. Seeing the opportunities and challenges in the market, Fantasia has taken the first stride with determination to implement its new strategy and has formulated the theme of “transformation, innovation and breakthrough” with a focus on developing two core competitive edges of new experience and optimized service.”

“In 2013, all of our eight business areas based on the community service platform made progress and provided more value for customers through business model innovations. This was particularly true in the case of community service innovations, which integrated the businesses around communities through the Internet to provide quality on-line and off-line service and experience.

In the era of the Internet and mega data, the Group's brands have been rearranged, as the Group's business strategy shifts. "Fantasia creates value" has become the Group's new brand slogan and "Forceful, interesting and valuable" have become its new brand character. In the future, the focus will be on two key words for Fantasia's development. One is the Internet. Fantasia will combine the on-line and off-line businesses to produce a new ecological environment by utilizing the Internet. The other is finance. Fantasia will build up a financial platform and expand its presence into 8 major business areas based on the community service platform to allow all participants to create an ecosphere," **Mr. Pan** continued.

As of 31 December, the Group recorded cumulative contract sales of approximately RMB10.174 billion and GFA of 1.2927 million square meters sold for 2013, which exceeded the annual sales target of RMB10 billion and successfully sent the Group into a club of Chinese property developers with at least RMB10 billion annual sales. Meanwhile, to optimize its business presence, the Company has also achieved a breakthrough in seven major businesses in 2013, namely financial service, community service, property management, business management, hotel management, cultural tourism and senior housing. The Company is developing into a financial holding group at a faster pace and continues to provide an interesting, tasteful and colorful living space and experience for customers.

To reward our shareholders for their support, the board of directors of the Company proposed a final dividend of HKD 6.68 cents per share in respect of the year 2013, subject to shareholders' approval at the upcoming annual general meeting.

Launching Sought-after Property Projects in the Market and Generating Contract Sales in Excess of RMB10 Billion

In the period under review, the Group implemented the operating strategy of "Being Steady and Prudent" with an emphasis on the safe management of the cash flows and the capital, and carried out the sales by means of active marketing. The Group exceeded its full-year sales target on the strength of

“rigid-demand products” and “the complexes free from the purchase restriction”. During the reporting period, the Group recorded contract sales of RMB10,174 million and contract sales area of 1.2927 million square meters, representing year-on-year increases of 26.95% and 34.67% respectively. RMB5,044 million of the total contract sales was derived from urban complexes projects, accounting for 50% of the total sales.

The contract sales of the Group’s property business mainly came from 13 cities including Chengdu, Guilin and Huizhou and 32 projects including Chengdu Meinian Plaza, Chengdu Funian Plaza, Chengdu Future Plaza, Guilin Fantasia Town, Huizhou Fantasia Special Town and Suzhou Fantasia Special Town. The Company extended its effort in the promotion of rigid demand products and commercial properties, which were sought after in the market and also stepped up marketing by taking into account the features of the Internet era. The products launched by the Company always held their best-selling positions. Rigid demand products like Guilin Fantasia Town, Huizhou Fantasia Special Town, Wuxi Love Forever and Chengdu Fantasia Town achieved exceptional results; commercial properties such as Chengdu Future Plaza, Chengdu Meinian Plaza, Chengdu Funian Plaza and Wuxi Hailrun Plaza were occupied or will be occupied soon. This has boosted our good image which in turn enhanced purchasers’ confidence and drove the growth of our sales results. The overseas project in Singapore also contributed to the growth of the results.

Developing Financial Service by Having Community Finance as Core Business

During the period under review, the Group determined the development direction of having community finance as our core business with development of financial services in other business ecosphere. After its official opening in June 2013, Guilin Hehenian Microcredit Company Limited, a subsidiary of the Company, experienced rapid growth and has set up 10 branch offices as of the end of 2013; driven by the steady development of our leasing business in finance sector, we have established Shenzhen Qianhai Fantasia Financial Services Company Limited, which has branches strategically distributed

across the North, East, South and Southwest of China, and strive to provide non-bank financial services and drive the innovative financial sector of China to develop comprehensively.

The successful issuance of US\$250 million 7-year senior notes bearing an interest rate of 10.75% and RMB1 billion 3-year senior notes bearing an interest rate of 7.875% in 2013 provided funds for our existing and new property development projects.

Upgrading Community Service, Colour Life Has Become the Largest Community Service Operator in China

During the reporting period, the property operation business of the Group maintained rapid growth. As “the largest community service operator in China”, Colour Life Services Group Co., Limited, the Group’s subsidiary, continued to expand its management areas through engagement and acquisition. As of 31 July 2013, Colour Life served 650 communities in China with a management area of over 100 million square meters.

Colour Life Group has completed the establishment of System 2.1 in 2013 and satisfied the basic conditions of providing standardized service and has become a platform service provider. It makes use of Internet and cloud App to provide on-site service and establish a mini 1-mile commercial zone for the purpose of providing good online and offline services to its customers as well as setting a sound internal financial control system for preparing listing in an orderly manner. Colour Life plans to provide integrated services, such as financial, elderly care and education services as well as the provision of support to small-sized enterprises in the community in the future.

Community Value-added Business Sees Sustainable and Rapid Growth

In respect of hotel management, in 2013, Fantasia Hotel Management Limited (花樣年酒店管理有限公司) expanded rapidly, with 6 managed hotels. “HYDE” hotel (個園) in Jun mountain, one of our own brand hotels, has commenced business in Chengdu and U Hotel (有園) in Tianjin has commenced trial operation. The Company, having executed a letter of intention with Coridel

Capital (高盈資本), a subsidiary of CORIDEL of US, in July, for a cooperation alliance in respect of a real estate investment trust for hotel projects, formally announced its close cooperation with Coridel Capital in the global market on the merger and acquisition of hotel projects, financial operation, brand operation and commissioned management with an aim of establishing long-term, amicable and strategic alliance. In August 2013, the Company took over Ningbo Kangcheng Sunshine Regency Hotel by which its ability to expand and output hotel management services is prominently shown. It is expected that we will operate and manage over 16 different types of brand hotels with varying sizes in both domestic and overseas market in the next three to five years. The gross floor area will reach 280,000 square meters.

In respect of business management, Huashengtang series, medium-to-high end regional-level shopping centers catering to family consumption and fashion-conscious young people, and Hongtang series, city-level shopping centers catering to high-income people, all witnessed accelerated growth. The business invitation work of Nanjing Yuhuatai Project, Chengdu Long Nian International Center Huashengtang, Guilin Huashengtang, Chengdu Meinian Plaza Hongtang, Suzhou Hongtang is in progress. In respect of elderly services, the Group has already set up pilot elderly service stations in Shenzhen and Chengdu, offering nursing services such as medical care, living, food & drinking and mental care

Having Adequate Reserve for a Leaping Growth

In respect of acquisition of land, the Group continued to adhere to its prudent investment strategy and its development direction of acquiring land in first-tier cities, such as Beijing, Shanghai and Shenzhen, which enjoy strong market potential and are capable of delivering prosperous return. In 2013, the Company had obtained parcels of land located in different provinces, such as Suzhou, Chengdu, Ningbo, Shanghai, Tianjin and Huizhou through various means, such as bidding and acquisition, and entered into markets in the first-tier and second-tier cities, including Ningbo, Wuhan and Shanghai. As at 31 December 2013, the planned GFA of the Group's land bank amounted to approximately 8.70 million square meters, and the planned GFA of properties

with framework agreements signed amounted to 8.13 million square meters. The Group has over 10 projects in Shenzhen with the total GFA of 2.5 million square meters.

During the reporting period, the Group had 18 projects or phases of projects which were newly commenced, with a total planned gross floor area of approximately 2.35 million square meters. During the reporting period, the Group had 14 projects or phases of projects which were completed, with a total gross floor area of approximately 1.24 million square meters. As at 31 December 2013, the Group had 21 projects or phases of projects under construction, with a total planned gross floor area of approximately 4.08 million square meters and a planned saleable area of approximately 3.03 million square meters, among which had an accumulated contracted area of approximately 1.17 million square meters. The Group had 21 projects or phases of projects held for development, with a total planned gross floor area of approximately 5.84 million square meters.

Transforming Community Service Platform to Boost the Group's Globalization Progress

Looking into the future, Fantasia will in advance map out a new business system by combining financial and internet thinking. Taking financial and service as its two major platforms, the Group, utilizing the community service as its platform, will carry out its eight primary businesses, construct an inter-coordinated ecosphere. The Group has established branch offices in Hong Kong, Tai Pei, Singapore and Tokyo with investment project in Singapore, aiming to proactively boost the globalization of its development strategy; meanwhile, the Group will gradually realize light-asset-based businesses, progressively construct an organizational system featured de-coupled front and back stages and make planning and coordination, in order to establish an integrated strategic and investment holding group to maximize the value for our shareholders and investors in creating the best returns.

About Fantasia Group

Founded in 1998, Fantasia was successfully listed on the main board of the Stock Exchange of Hong Kong in November 2009 under the stock code “1777”, with its assets amounting to over RMB24.5 billion. Fully completed its business strategic layout under the upcoming era of mobile internet and client database, Fantasia Group is a leading financial holding group in China, with a business model driven by financial operations, anchored on services, and supported by property development. Fantasia conducts all-rounded real estate financial operations, investments, developments, operations and community services, 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.

Currently, Fantasia is pushing forward its international business expansion plan by setting up branches in Hong Kong, Taipei, Singapore and Tokyo as well as investing a property development project in Singapore. It commits to be the leader which provides a joyful, colorful and meaningful living space and experience and aims to deliver a unique and inspiring living space and experience to value-oriented customers.

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

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