

Fantasia Holdings Group Announces 2012 Interim Results

Contract Sales of RMB3,351 million,

Achieved 47% of the Annual Contract Sales Target

Business Review

- Contract sales for the six months ended 30 June 2012 amounted to RMB 3,351 million, achieved 47% of the 7.2 billion annual contract sales target, which was better than expected
- Operating revenue amounted to RMB1,205 million
- Recurring income, including rental, hotel and community services income amounted to RMB155 million, recorded an increase of 71.2% year-on-year
- Gross profit amounted to RMB503 million, gross profit margin remained at a high level of 41.7%
- Profit attributable to the owners of Fantasia reached RMB201 million
- Basic earnings per share for the first half of 2012 was RMB0.04
- Deposit received for sale of properties amounted to approximately RMB4,450 million with an increase of 69.9% compared to December 31, 2011, will be reflected as operating revenue in future
- Land bank of gross floor area is approximately 8.29 million square meters. The average land bank cost is RMB665 per square meter. Maintain a high quality and low-cost land bank

17 August 2012, Hong Kong - **Fantasia Holdings Group Co., Limited** ("Fantasia" or "the Company", SEHK stock code 1777), a leading property developer and property related services provider in China, announces its interim results of the Group for the six months ended 30 June 2012 (the "Reviewing Period").

Adjust Investment in Robust Expansion

During the Reviewing Period, Fantasia achieved a total contract sales of approximately RMB 3,351 million, achieved 47% of the 7.2 billion annual contract sales target, which was better than expected. Operating revenue

amounted to RMB1,205 million. Recurring income, including rental, hotel and community services income amounted to RMB155 million, recorded an increase of 71.2% year-on-year. Gross profit amounted to RMB503 million, gross profit margin remained at a high level of 41.7%.

Profit attributable to the owners of Fantasia reached RMB201 million. Deposit received for sale of properties amounted to approximately RMB4,450 million with an increase of 69.9% compared to December 31, 2011, will be reflected in operating revenue in future. Land bank of gross floor area as at 30 June 2012 amounted to 8.29 million square meters with a cheap cost of RMB665 per square meter.

Mr. PAN Jun, Chairman and CEO of Fantasia, commented, “The real estate industry in China suffered from gigantic political, market and financial pressure in the first half of 2012. Fantasia carries out immediate adjustment and management on its development and sale strategies based on the changes of the real estate market from time to time. Also, to keep in line with the operating strategy of “stable and prudent”, our Group relatively slowed down the pace of regional expansion in the first half of the year to avoid the most significant market fluctuation at the beginning of the year, achieved 47% of the annual contract sales target. While adhering to the principle of prudent investment and financial budgets, our Group will continuously pay close attention to its safe operation, and rigorous and prudent control over financial management in precaution of market contingencies. In the meanwhile of laying a foundation for our traditional property business, Fantasia will endeavor to explore the possibility of extending its business to the property financing industry by building a business platform and leading provider for interesting, tasteful and colourful living space and experience.”

Fast-growing high-value-added services business

In 2012, the development of the real estate industry has entered into the so-called “second half of China’s real estate”. Only with combination of value-added services and diversified property businesses can promote the healthy development of an enterprise. As such, by leveraging on the real estate as a business platform, our Group currently has been diversifying its businesses by exploring various strategic service businesses such as property community service, boutique hotels, commercial management, cultural tourism as well as retirement life and health cultivation services to develop property projects. With different value-added services, our Group endeavors to provide customers with innovative and interesting living environment for experiencing a tasteful lifestyle where the residents can enjoy the fun of work and life through our value-added services.

1. Property Community Service

Revenue generated from property investment increased by 239.6% to approximately RMB40 million for the six months ended 30 June 2012 from approximately RMB12 million for the corresponding period in 2011. The

increase was primarily due to the continuing growth of the investment properties and the increase in occupancy rate. Colour Life Service Group, a subsidiary of Fantasia, completed its structural reorganization in 2011, and its business coverage has extended to 23 core cities throughout the country. In response to the arrival of the time of cloud computing technology, Fantasia has initiated to promote the informationalized and networking mode (V2.0) of property community service in the industry to further enhance the efficiency of our community service, the duplication capability of property management and the seamless integration of the offline businesses with the online ones, for providing innovative and useful services with good quality and further expanding our business edges over the conventional property managers, most of whom are only specialized in fundamental property management.

Fantasia International Property Management, serving high-end property projects of Fantasia, and has gradually earned a good reputation from the customers for high-end projects.

2. Boutique Hotel Service

Revenue derived from hotel services increased by 221.4% to approximately RMB26 million for the six months ended 30 June 2012 from approximately RMB8 million for the corresponding period in 2011. This increase was primarily due to an increase in number of hotel and occupancy rate of the hotel during the first half of 2012. After reaching a corporation with Rhombus International Hotels Group, Capella and other well-known hotel companies, Fantasia and Starwood Group have signed a strategic alliance memorandum in June. The memorandum symbolizes a long term collaboration of the two companies in hotel development, construction and management. This year marks the fourth anniversary for Fantasia's entry into the hotel industry. In addition to strengthening its cooperation with internationally renowned hotel management companies, Fantasia has also started to build its own hotel brands, with 4 product lines of different grades planned so far, including our own brands "U" hotel and "HYDE" hotel, while "U" hotel in Shenzhen has already been put into service.

3. Commercial Hotel Service

To meet the development requirements of Fantasia's commercial projects, Fantasia Commercial Management Company has accomplished the communication research and established the databases for hundreds of commercial brands and players and actively promoted the commercial planning and business solicitation of our Group's certain commercial projects, including Shenzhen Meinian Complex, Chengdu Meinian International Plaza, Guilin Fantasia Town, and Huizhou Fantasia Special Town.

Nanjing Yuhuatai, the first commercial project of Fantasia brand-new commercial brand, with total construction area of nearly 100,000 square meters.

The project emphasizes the experiential business model and the concept of

creative space, focusing on experiential creativity from various aspects of construction, operation type, services and details.

4. Cultural Tourism and Health Cultivation and Retirement Life Service

As to the cultural tourism and health cultivation and retirement life services, Fantasia had studied on the feasibility of setting up real estate projects for retirement services for certain projects to provide the target groups of customers with high-end retirement life service. By virtue of the increasingly stronger capabilities in services provision and business operation on the basis of the continuously expanding service and the commercial operation platform, Fantasia will become a leading competitive edge of our Group in the experience economy era.

In recent years, Fantasia vigorously promotes health pension industry by setting up a special group to conduct site visits in Europe, the Americas, Asia and other developed countries and regions pension in these two years and negotiating with business companies who intend to cooperate. Fantasia has organized the three-month training program for employee in Taiwan.

The financial services provider with a business model driven by financial operations and anchored on services

In the second half of 2012, Fantasia will also focus its efforts on promoting its sales, continuing to develop and sell urban complexes and maintaining a flexible and active responding strategy to strive for the realization of every single target of the whole year. Therefore, Fantasia plans to identify land lots in the first-tier cities like Beijing, Shanghai and Guangzhou, and further efforts will be made for the development of our Group in the first and second-tier cities, while expanding its land bank at reasonable terms.

Fantasia will actively build a real estate finance platform. Fantasia has carried out research on the feasibility of building its own financial platform by establishing funds in relation to real estates, tourism and culture, so as to lay a stronger and more solid foundation for the property business of Fantasia. Meanwhile, Fantasia will maintain a flexible and active responding strategy, provide brand new experience and hence create values for the customers, allowing Fantasia to become a pioneer in the property financing industry that provides “interesting, tasteful and colorful” living space.

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Fantasia Group

Founded in 1996, Fantasia Group is a leading financial 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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