

Fantasia's contracted sales up 189.15% y-o-y to RMB729 million in April Credit outlook upgraded by Standard & Poor's

(5 May 2015 – Hong Kong) **Fantasia Holdings Group Co., Limited** (“Fantasia”, or the “Company”, which together with its subsidiaries, is referred to as the “Group”; HKEx stock code: 1777), is pleased to announce its sales updates for April 2015. The Company recorded contracted sales of RMB729 million with 103,878 sq.m. in aggregated gross floor area (“GFA”) sold in April, up 8.80% and 8.09% month on month, respectively, and up 189.15% and 211.69% year on year, respectively. For the first four months ended 30 April 2015, the Group sold approximately 333,392 sq.m. of accumulated GFA and recorded the corresponding aggregate contracted sales of approximately RMB2.402 billion, which represented year-on-year increases of 117.20 % and 154.69% respectively.

The significant growth in the Group's property sales was attributable to a rebound in transactions in mainland China's property market and the Group's efforts to step up sales. In April, a number of favourable government policies on the property market led to a significantly higher premium at which the plots of land changed hands in the first- and second-tier cities. They also caused a surge in home sales. Long queues of home buyers reappeared in some cities. The Group capitalized on the market rebound by increasing the number of property launches and speeding up the inventory clearance, so much so that it achieved good results in property sales in such cities as Tianjin, Wuhan, Suzhou and Guilin.

According to research institutions, home buyer confidence index gradually increased in the first quarter of 2015 compared to the previous quarter, reflecting significantly improved optimism about the property market. Mainland China's property market is expected to show growth in transaction volume with stable home prices in the second half of the year. The Group is optimistic about its sales outlook and financial performance for the whole year.

Fantasia's Chairman and CEO, Mr. Pan Jun, said that the Group had made considerable progress in exploring opportunities in the ecosystem that combined business and community while maintaining steady growth in its property business. Its subsidiary, Colour Life Services Group Co., Limited (“Colour Life”; HKEx stock code: 1778) will cooperate with a number of other businesses along the value chain of the industry to further strengthen the Group's leading position in the field of community service business.

On 30 April, upon the approval by the board of directors, Colour Life launched the second phase of its share option incentive scheme which would comprise a total of 25 million share options at HK\$11.00 per share, including 1.25 million shares to be allotted to the directors which accounted for 5% of the total and the remaining 95% to be awarded to 700 ordinary employees who had outstanding performance.

The core corporate values of Colour Life are to create and to share. This share option scheme will help motivate the middle management, attract and retain talents, refine the mechanism for incentives and checks and balances for the medium to long term, so as to foster the rapid development of the Company with the aim of maximizing the enterprise value and returns to shareholders.

The strategic transformation of Fantasia is increasingly recognized by the market. On 6 April, Guotai Junan pointed out in its initial coverage report on the Company that the property sector has entered the “post-high-growth” era, when communities become the key driver of demand for urban services. Fantasia grasps the opportunities in the trend by leveraging the Internet to develop its community service businesses in the secondary property market, and has thus become the pioneer of the industry.

On 30 April, Standard and Poor's (S&P) published a report is "in line with the Company's strategy of reducing capital-intensive businesses". The rating agency also upgraded the Company's credit outlook to "Stable" from "Negative" and affirmed its "B+" long-term corporate credit rating for the Company and its "B" rating on the issue of the Company's outstanding senior unsecured notes.

S&P anticipated that Fantasia's leverage ratio would improve in 2015 while its EBITDA margin would stabilize over the next two years. The rating agency also opined that the Company's move to expand its high-margin property management business will also support its profitability, and that it had adequate liquidity with sufficient cash balance and internal resources for debt repayment and thus had manageable risk regarding refinancing.

On 1 April, the Group's hotels, namely Four Points By Sheraton Guilin in Lingui District of Guilin City, Guangxi and Arcadia Resort Hotel in Yixing City, Jiangsu were rated as "TOP 10 Newly Open Hotels of China" and "TOP 10 Resort Hotels of China" respectively in the 10th China Hotel Starlight Awards. On 10 April, Shenzhen Fantasia Business Management Company Limited was honoured with the title "the Best Commercial Real Estate Operator in China" in the 10th China Commercial Real Estate Section.

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About Fantasia Holdings Group Co., Limited

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 RMB35 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 services, Colour Life Group, property development, commercial community services, cultural and tourism, commercial services, senior citizen services and education.

Currently, Fantasia is progressing with 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, the United States and Taiwan. It commits to be the leader which provides a joyful, colourful and meaningful living space and experience and aims to deliver a unique and inspiring living space and experience to value-oriented customers.

To learn more about the Company, please visit Fantasia's website at: www.cnfantasia.com/

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