

FANTASIA
花樣年

Fantasia Holdings Group Co., Limited **花樣年控股集團有限公司**

Stock Code: 1777

2010 Annual Results Presentation

March 2011

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Section 1

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- **Company Overview**
 - 2010 Market Review and Business Review
 - 2010 Operational Highlights
 - 2010 Financial Highlights
 - 2011 Market Outlook and Corporate Strategy
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Company Overview

Geographical Positioning

- Chengdu-Chongqing Economic Zone: Chengdu, Dali
- Pearl River Delta: Shenzhen, Dongguan, Huizhou, Guilin
- Yangtze River Delta: Suzhou, Yixing, Wuxi, Nanjing
- Beijing-Tianjin Metropolitan Region: Tianjin

Product Positioning

- Urban Complexes
- Boutique Upscale Residences

Target Client

- Affluent middle-to-upper class individuals and families
- High-growth small-to-medium sized enterprises

Land Bank

- As at 31 December 2010, total planned gross floor area (GFA) was approx. 13.94mn sqm, and planned GFA of attributable land bank was approx. 13.88mn sqm, of which approx. 8.92mn sqm has obtained land use right and approx. 5.02mn sqm was under framework agreement.

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2010 Market Review

- The government continued to put forward severe and stringent macro control measures in 2010.
- China's property market has experienced cyclical volatilities.
- With rigid demand, anticipation of high inflation and huge liquidity in the market, prices of land and commodity residential houses kept going up in 2010.
- Investment demand for residential properties continued to decrease as result of the controlling policies.
- Demand for commercial and office properties of non-residential segment showed structural growth.

2010 Business Review

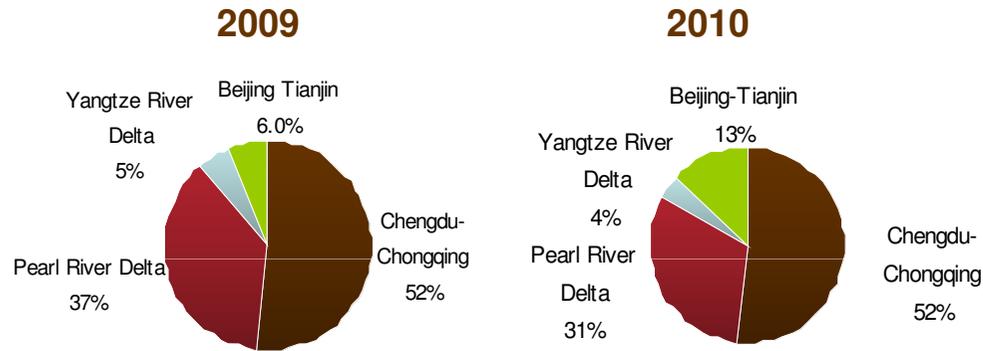
- We have entered into four core regional cities, namely Guilin, Dali, Wuxi and Nanjing, extending our footprint from 7 to 11 cities and enabling a more balanced business coverage.
- We have acquired approx. 4.45 million sqm of GFA land in 2010, so that our planned GFA of the land bank with land use right amounted to approx. 8.92 million sqm as end of 2010, a YoY increase of 63%.
- We continued to improve our competitive strengths in two core products and to increase our brand influence. In 2010, contract sales area was 382,154 sqm and contract sales reached RMB 3.89 billion.
- Outstanding financial performance in 2010:
 - Revenue: **RMB4.47bn**, a YoY increase of 81.9%
 - Net Profits: **RMB807mn**, a YoY increase of 116.2%
 - EPS: **RMB0.17**, a YoY increase of 70.0%
 - Proposed dividend per share: **4 HK cents**
- Our financial strength has been continuously improved. On 12th May 2010, we successfully issued a five-year term guaranteed senior note with a principal amount of US\$120 million. In November 2010, we announced our plan to issue Taiwan Depositary Receipts (TDR).

Section 3

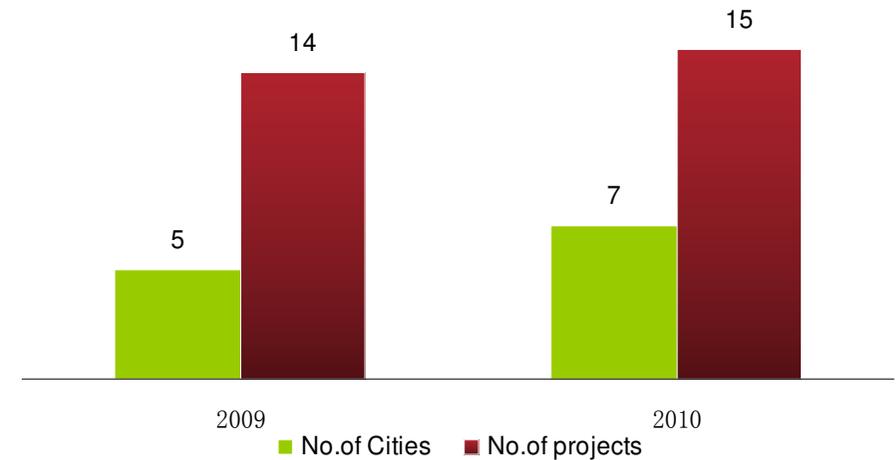
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More Diversified Revenue

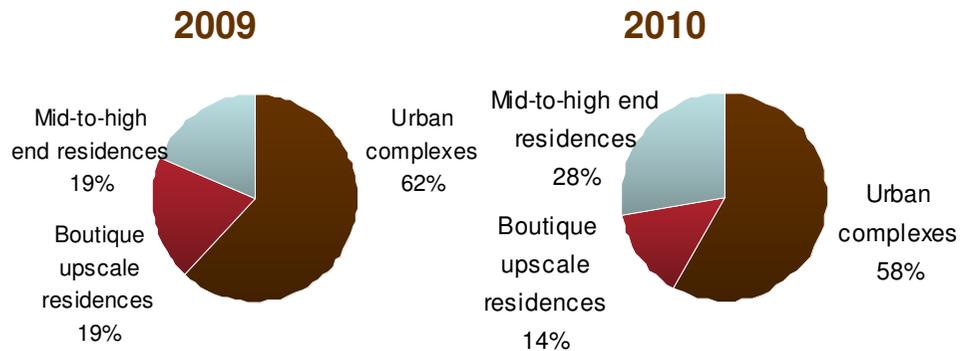
Contracted sales breakdown by region



No. of projects and cities of contracted sales



Contracted sales breakdown by product



High-quality Low-cost Land Bank (as at 31 December 2010)

Land bank with land use right

City	Project	GFA (sq.m)	Product Category	Avg. Cost (RMB/sqm)
Shenzhen	Love Forever	63,870	Mid-to-high End	796
	Funian Plaza	61,219	Urban Complex	2,418
Huizhou	Endless Blue	168,545	Mid-to-high End	312
	Fantasia Special Town	586,000	Mid-to-high End	423
Chengdu	Future Plaza	243,839	Urban Complex	645
	Grand Valley	1,556,986	Boutique Upscale	281
	Mont Conquerant	296,384	Boutique Upscale	823
	Fantasia Town	483,762	Mid-to-high End	81
	Meinian Int'l Plaza	648,005	Urban Complex	669
	Funian Plaza	180,168	Urban Complex	555
Tianjin	Hailrun Plaza	83,289	Urban Complex	1,730
	Yingcheng Lake Project	168,339	Urban Complex	766
	Future Plaza	55,091	Urban Complex	2,180
	Wuqing Project	542,319	Boutique Upscale	1,183
Dongguan	Mont Conquerant	122,983	Boutique Upscale	1,532
	Wonderland	333,400	Boutique Upscale	923
Guilin	Gaohua Project	2,231,736	Boutique Upscale / Urban Complex	393
Suzhou	Lago Paradise	533,121	Boutique Upscale	1,522
Wuxi	Love Forever	338,080	Boutique Upscale	1,523
	Hailrun Complex	83,128	Urban Complex	842
Nanjing	Banqiao Metro Project	66,497	Urban Complex	4,337
Dali	Human Art Wisdom	76,796	Mid-to-high End	678
Total		8,923,557		679

Land bank with framework agreement

City	Project	GFA (sq.m)	Product Category	Interest
Chengdu	Pixian Project	3,917,332	Urban Complex	100%
Dali	Yunnan Project	996,531	Boutique Upscale	100%
Beijing	Tongzhou Project ⁽¹⁾	55,000	Urban Complex	100%
Suzhou	Taihu Hotel	49,246	Hotel	100%
Total		5,018,109		

(1) This project is still under framework agreement, no further progress at this stage.

Newly Acquired Land in 2010: Expanding Quality Land Bank

City	Project	Product Category	GFA (sq.m)	Interest	Avg. Cost (RMB/sqm)
Suzhou	Lago Paradise	Boutique Upscale Residence	533,121	100%	1,522
Dali	Human Art Wisdom	Mid-to-high End Residence	76,796	100%	678
Guilin	Gaohua Project	Boutique Upscale Residence / Urban Complex	2,243,219	100%	393
Tianjin	Future Plaza	Urban Complex	55,091	100%	2,180
Tianjin	Wuqing Project	Boutique Upscale Residence	542,319	100%	1,183
Dongguan	Wonderland	Boutique Upscale Residence	333,400	100%	923
Chengdu	Funian Plaza	Urban Complex	180,168	100%	555
Nanjing	Banqiao Metro Project	Urban Complex	66,497	100%	4,337
Wuxi	Love Forever	Boutique Upscale Residence	338,080	100%	1,523
Wuxi	Hailrun Complex	Urban Complex	83,128	100%	842
Total			4,451,819		851

Enhancing Brand Influence

Winning Awards—Company Level

- In January 2010, “2009 Top Ten Brand Developer in Shenzhen”;
- In March 2010, “2010 China Real Estate Top 100 Enterprises” by China Real Estate Top10 Research Group;
- In March 2010, “2010 Low-Carbon Model for China Real Estate Enterprises” by China Real Estate Association and China Index Academy;
- In June 2010, “Top 50 China Real Estate Listed Companies in 2010”;
- In June 2010, “Outstanding Stocks in the China Property Sector listed on the Main Board”;
- In November 2010, “Top 100 of China Property Services Enterprises in 2010” by China Real Estate Top10 Research Group.

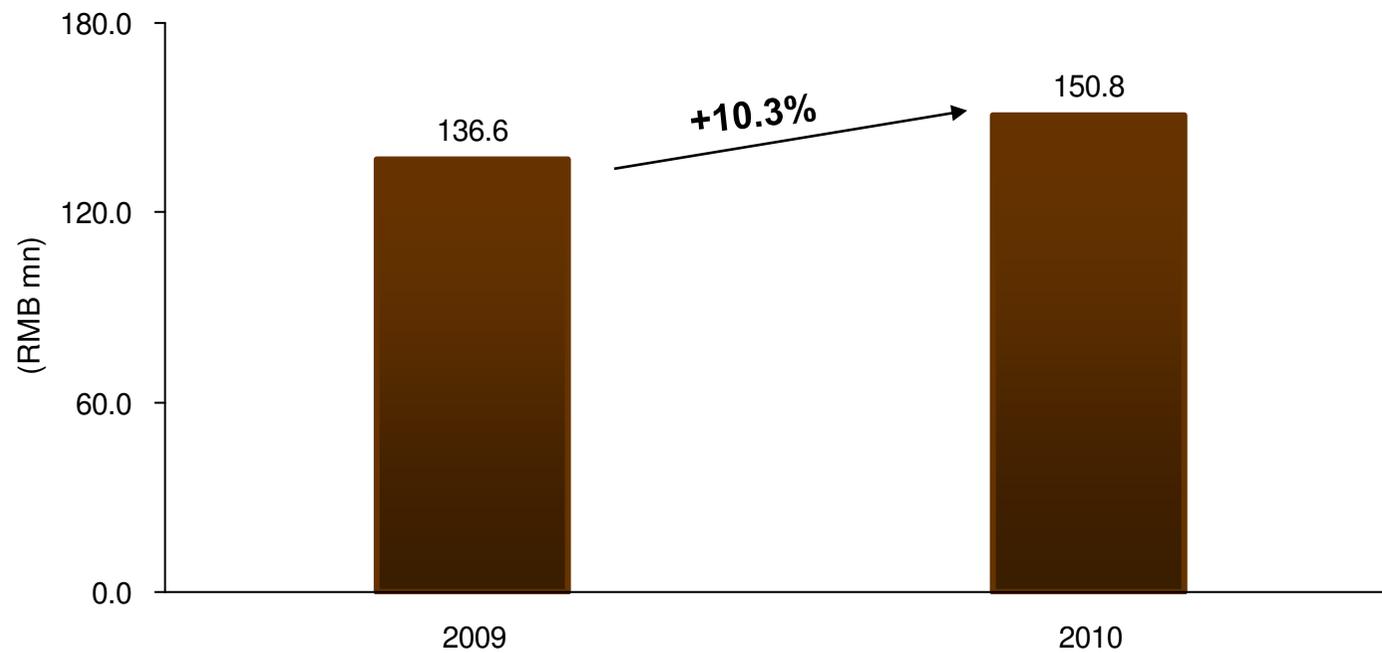
Winning Awards—Project Level

- In January 2010, Suzhou Taihu Tiancheng was awarded “Harmonious Real Estate in 2010” by the Sina Leju;
- In March 2010, Shenzhen Meinian Plaza was awarded “China Real Estate Index System: The Best Business Complex of Garden Style in South China in 2010” by China Real Estate Association and China Index Research Institute;
- In April 2010, Tianjin Hailrun Plaza was awarded “Seariver Cup (Structure)” by Tianjin Construction Industry Association;
- In April 2010, Chengdu Grand Valley was awarded “The Real Estate Promoting a Garden City for Chengdu” by Chengdu Housing and Real Estate Association;
- In July 2010, Dongguan Mont Conquerant was awarded “China Real Estate Index System: Top Ten Distinctive Villa Models in 2010 – Villa in the Air” by China Index Research Institute;
- In December 2010, Huizhou Fantasia Special Town was awarded “The Most Valuable Real Estate in Pearl River Delta in 2011” by the Fourth China Property Buyers Meeting;
- In December 2010, Shenzhen Love Forever was awarded “Innovation of the Year” by 2010 China Real Estate Annual Assembly.

Upgrading Property Service and Business Operating Capacity

In 2010, our property agency, property operation and hotel services also achieved sustainable growth.

Revenue from non-property development businesses



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2010 Financial Highlights

■ Sustainable Profit Growth:

- Revenue **RMB 4.47bn**, a YoY increase of 81.9%;
- Net Profits **RMB 807mn**, a YoY increase of 116.2%;
- EPS **RMB 0.17**, a YoY increase of 70.0%
- Proposed dividend per share: **4 HK cents**

■ Robust Financial Position:

- Cash on hand was RMB 2.46bn;
- Unutilized credit facilities reached RMB 20.8bn;
- Net gearing ratio was 69.0%, remaining at a reasonable industry level.

■ Diversified Financing Channels:

- On 12th May 2010, we successfully issued a five-year term guaranteed senior note with a principal amount of US\$120 million.

Sustainable Business Growth

Rmb mn	2010	2009	Change %
Revenue	4,471	2,459	81.9%
Gross profit	1,925	1,027	87.4%
EBITDA ⁽¹⁾	1,593	803	98.5%
Net profit attributed to owners of the company	807	373	116.2%
Earnings per share (RMB)	0.17	0.10	70.0%
Gross margin	43.0%	41.8%	
EBITDA ⁽¹⁾ margin	35.6%	32.6%	
Net margin	18.1%	15.2%	

(1) Excluding revaluation gain

Prudent Financial Management

Rmb mn	As of '31 Dec 2010	As of '31 Dec 2009	Change %
Cash ⁽¹⁾	2,457	3,886	(36.8%)
Non-restricted cash	2,371	3,696	(35.8%)
Total assets	15,382	11,453	34.3%
Short-term debt	2,132	1,266	68.4%
Long-term debt	3,430	2,174	57.8%
Total debt	5,562	3,440	61.7%
Shareholders' equity	4,502	3,770	19.4%
Net gearing Ratio ⁽²⁾	69.0%	(11.8%)	

(1) Including bank balance and cash and restricted bank deposit.

(2) We were in net cash position due to the IPO of the Company in November 2009.

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2011 Market Outlook

- Anti-inflation is expected to be the key theme of China's macro economic policies and liquidity is anticipated to shrink. Scale of borrowings will be further squeezed and bank loan interest will likely hike further as a result.
- China's property market is estimated to gradually develop into a "double system" market: the social housing market developed by the State and the commodity housing market. Low-to-medium end properties will be gradually affected and high-end properties will dominate the commodity housing market.
- Residential segment will be affected by the severe controlling policies, while demand for commercial and office properties of non-residential segment will show structural growth.
- Volatility of property market will be gradually smoothed and the market will revert to a stable development trend.

2011 Corporate Strategy

- To be responsive to unforeseen market change with a flexible sales strategy, we are committed to grow rapidly towards a much larger property company.
- To implement hierarchical development strategy for branch companies and continue to enhance the Group's management and control capability and efficiency.
- To build strategic layout actively and expand land bank in a scientific and prudent way. We plan to enter into two to three core regional cities each year to acquire quality land with relatively low cost.
- To constantly expand the leading advantage of Fantasia in urban complexes business.
- To continue to upgrade property service and business operating capacity. To enhance the mutual beneficial relationship among property development, commercial operation and hotel management, so as to strengthen long-term competitive advantages that are unique to Fantasia.

2011 Target

	2011 Target
Contract Sales (RMB mn)	6,000
GFA of newly commenced projects ('000 sqm)	1,400
GFA of completed projects ('000 sqm)	650
GFA of available for sale projects ('000 sqm)	1,500

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Appendix I: 2010 Contract Sales Breakdown

City	Projects	GFA Sold (sq.m)	Contract sales ('000 RMB)	ASP (RMB/sq.m)
Shenzhen	Flower Harbor	2,135	44,292	20,745
	Future Plaza	7,338	219,283	29,882
	Love Forever	34,377	680,129	19,785
Chengdu	Hailrun Plaza	19,442	356,626	18,344
	Fantasia Town	59,936	253,645	4,232
	Love Forever	6,673	18,086	2,710
	Meinian Int'l Plaza	116,573	1,063,607	9,124
	Future plaza	9,488	98,213	10,352
	Grand Valley	20,788	153,730	7,395
	Mont Conquerant	11,205	75,434	6,732
Dongguan	Mont Conquerant	15,403	152,948	9,930
Tianjin	Hailrun Plaza	38,186	505,987	13,251
Yixing	Town on the Water	5,788	66,836	11,547
Huizhou	Fantasia Special town	26,180	113,048	4,318
Suzhou	Lago Paradise	8,644	89,741	10,382
Total		382,154	3,891,606	10,183

Appendix II: 2010 Debt Structure

Period	As at 31 Dec, 2010	As at 31 Dec, 2009
	(RMB mn)	(RMB mn)
Within 1 year	1,933	1,266
Between 1 and 2 years	1,860	1,422
Between 2 and 5 years	1,663	727
Over 5 years	106	25
Total	5,562	3,440

Appendix III: 2010 Investment Properties Breakdown

Project	Type	GFA (sq.m)	Company's Interest
Shenzhen My place	Commercial	11,100	52%
Shenzhen Meinian Plaza	Office building	34,409	100%
Chengdu Love forever	Commercial	8,248	100%
Guilin Zhongding	Office building	3,179	100%
Total		56,936	

Appendix IV: 2011 Planned Newly Commenced Projects Breakdown

City	Project	Product Category	GFA (sq.m)
Chengdu	Fantasia Town Phase 3	Mid-to-high End Residence	188,000
	Funian Plaza	Urban Complex	165,000
Dali	Human Art Wisdom	Mid-to-high End Residence	76,800
Dongguan	Wonderland	Boutique Upscale Residence	155,000
Guilin	Gaohua Project Phase1	Boutique Upscale Residence / Urban Complex	195,000
Huizhou	Fantasia Special Town Phase 2	Mid-to-high End Residence	155,000
	Endless Blue	Mid-to-high End Residence	140,000
Suzhou	Lago Paradise	Boutique Upscale Residence	89,000
Tianjin	Future Plaza	Urban Complex	55,000
Wuxi	Love Forever Phase 1	Boutique Upscale Residence	224,000
Total			1,442,800

Appendix V: 2011 Planned Completed Project Breakdown

City	Project	Product Category	GFA (sq.m)
Shenzhen	Love Forever	Mid-to-high End Residence	64,000
Dongguan	Mont Conquerant	Boutique Upscale Residence	123,000
Huizhou	Fantasia Special Town Phase 1	Mid-to-high End Residence	72,400
Chengdu	Meinian Int'l Plaza Phase1.3	Urban Complex	198,000
	Fantasia Town Phase 2	Mid-to-high End Residence	105,500
Tianjin	Hailrun Plaza Phase 2	Urban Complex	83,300
Suzhou	Lago Paradise	Boutique Upscale Residence	12,000
Total			658,200