

FANTASIA
花樣年

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

Stock code: 1777

2012 Annual Results Presentation

April 2013

Disclaimer

This presentation has been prepared by Fantasia Holdings Group Co., Limited (the “Company”) solely for use at the presentation regarding the Company and its subsidiaries (collectively, the “Group”).

No representation or warranty (whether express or implied) is made as to the fairness, accuracy, completeness or correctness of, and no reliance should be placed on, such information or opinions contained herein. None of the Company, any member of the Group, nor any of their respective affiliates or any of their directors, officers, employees, advisers or representatives shall have any liability whatsoever (for negligence or misrepresentation or in tort or under contract or otherwise) for any loss howsoever arising from any use of information presented at this presentation or otherwise arising in connection with this presentation.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by the Company in the United States.

This presentation contains statements that reflect the current beliefs and expectations of the Group and the Company about the future as of the respective dates indicated. These forward-looking statements are based on a number of assumptions about the operations of the Group and the Company and factors beyond the control of the Group and the Company and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements and no reliance should be placed on these forward-looking statements. The Group and the Company undertake no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

Section

- 1 2012 Market Review and Business Review**
- 2 2012 Results Overview
- 3 2012 Business Overview
- 4 2013 Market Outlook and Corporate Strategy
- 5 Appendix

2012 Market Review and Business Review

Market Review

- The PRC real estate industry in 2012, although facing challenges by continuous global economic instability and domestic restrictive policies, continued to record a steady growth especially in the second half of 2012
- Having experienced the implementation of the policies on “purchase restriction and loan restriction”, together with the final imposition of property duty around the country:
 - (a) products continued to be featured with uniformity
 - (b) the industry, the customers and the enterprises became more mature and rational
- Different tier cities started to show different growth potentials with a clear divisions: first-and-second-tier cities and third-and-fourth-tier cities

2012 Market Review and Business Review

Business Review

- Successfully issued two US\$250 million senior notes in September 2012 and January 2013, respectively
- Rather than a pure real estate development company, Fantasia has transformed to a property-service-related enterprise covering different value added services, which are Fantasia's competitive strengths.
- Formulated the operating strategy of "Being Steady and Prudent":
 - (1) safe management of cash flow and the capital
 - (2) prudent internal procedure on land acquisition
- Acquired lands located in first-tier cities like Beijing and Shenzhen with great market potential and a focus on the establishment of urban complexes
- For Fantasia's real estate development business: emphasis upon marketing of the "rigid demand" products and the complex products, as a result,
 - (1) total contract sales: over RMB8 billion
 - (2) total contract area: approximately 960,000m²
 - (3) 111% of the annual sales target of RMB7.2 billion

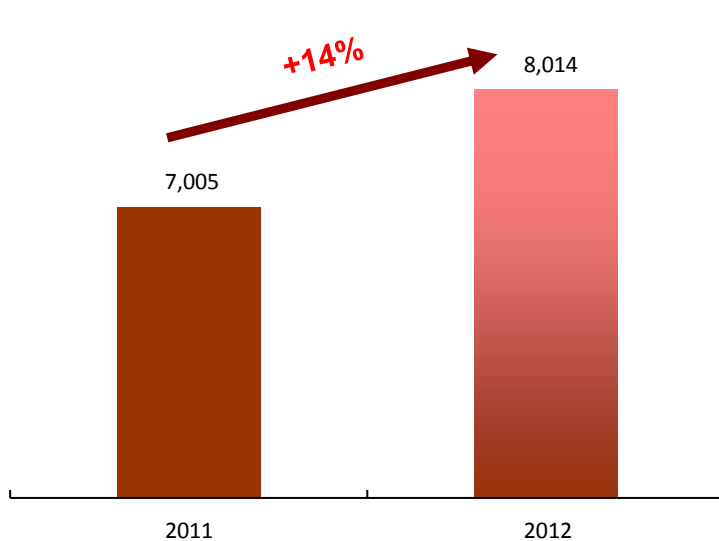
Section

- 1 2012 Market Review and Business Review
 - 2 2012 Results Overview**
 - 3 2012 Business Overview
 - 4 2013 Market Outlook and Corporate Strategy
 - 5 Appendix
-

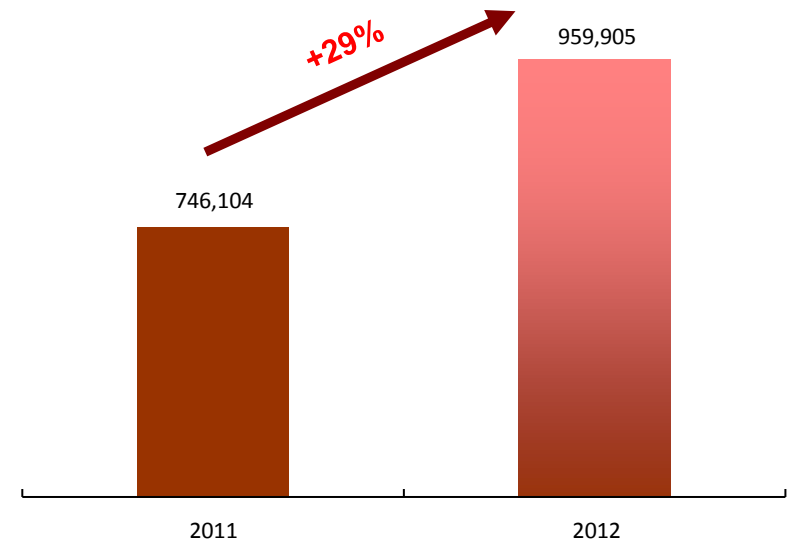
2012 Results Overview: Steady Growth in Contract Sales

- **Contract sales for 2012 reached 8.01 billion, recorded YoY growth of 14%;**
- **Contract sales area for 2012 reached 959,905 sq.m., recorded YoY growth of 29%**

**Contract Sales
(RMB mn)**



**Contract Sales Area
(sq.m)**



Sustainable Profitability

Remarkable Financial Performance in 2012:

- Revenue: RMB6.23 bn, a YoY increase of 11.4%;
- Gross profit: RMB2.52 bn, a YoY increase of 5.4%;
- Net profit: RMB1.13 bn, a YoY increase of 7.8%;
- Net profit from core business: RMB892mn, a YoY increase of 3.8%;
- EPS: RMB0.22, a YoY increase of 4.8%;
- Proposed dividend per share: HK5.50 cents, with 20% dividend payout ratio.

Steady Profitability

RMB mn	2012	2011	Change%
Revenue	6,230	5,592	11.4%
Gross Profit	2,520	2,392	5.4%
EBITDA	2,007	1,914	4.9%
Net profit attributable to shareholders	1,139	1,057	7.8%
Net profit from core business	892	859	3.8%
EPS(RMB)	0.22	0.21	4.8%
Gross Profit margin	40.5%	42.8%	(2.3pts)
EBITDA margin	32.0%	34.2%	(2.2pts)
Net profit margin	18.3%	18.9%	(0.6pts)
Net profit margin from core business	14.3%	15.4%	(1.1pts)

Healthy and Steady Financial Position

RMB mn	31 Dec 2012	31 Dec 2011	Change %
Cash ⁽¹⁾	3,496	1,336	161.7%
Non restricted cash	2,785	1,021	172.7%
Total assets	24,526	18,123	35.3%
Short-term debt	2,452	2,100	16.8%
Long-term debt	5,429	3,393	60.0%
Total debt	7,881	5,493	43.4%
Shareholders' equity	6,601	5,602	17.8%
Total debt over total assets ratio	32.1%	30.3%	1.8pts
Net gearing ratio	66.4%	74.2%	(7.8pts)

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

Section

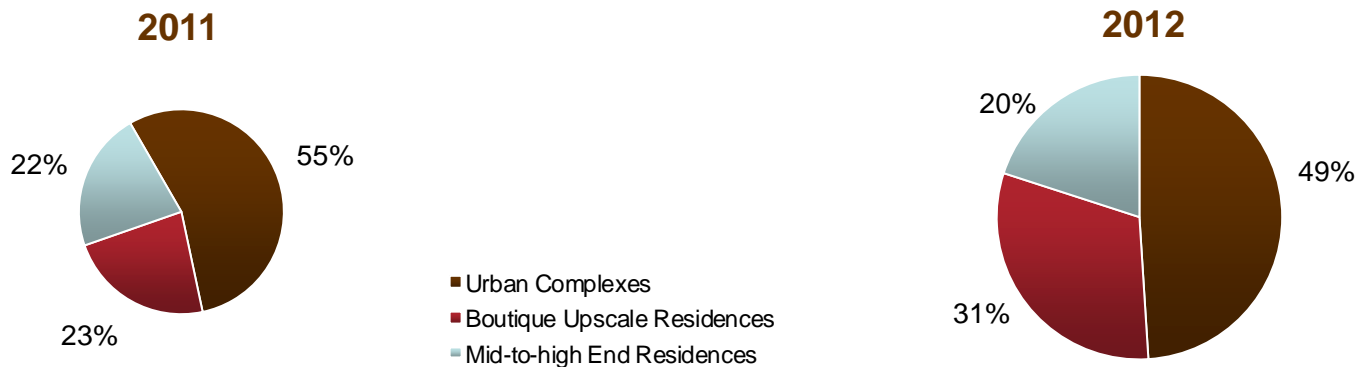
- 1 2012 Market Review and Business Review
 - 2 2012 Results Overview
 - 3 2012 Business Overview**
 - 4 2013 Market Outlook and Corporate Strategy
 - 5 Appendix
-

Increasingly Diversified Revenue and Enhanced Sales Contribution from Multi-regions

Contract sales breakdown: by region



Contract sales breakdown: by product



Strategic Project Planning and Execution

2012 Newly Commenced Projects

City	Project	Product Category	GFA (sq.m)
Dongguan	Wonderland Phase 3	Boutique upscale residence	158,625
Huizhou	Love Forever Phase 1 & 2	Mid-to-high end residence	138,767
	Fantasia Special Town Phase 3	Mid-to-high end residence	160,250
Guilin	Lakeside Eden Phase 1.1	Boutique upscale residence	37,635
	Fantasia Town Phase 4.2	Mid-to-high end residence	161,355
Chengdu	MIC Plaza Phase 2.1 & 2.2	Urban Complex	424,872
	Long Nian International Center Phase 1.1	Urban Complex	192,758
	Grande Valley Phase 2.2	Boutique upscale residence	40,616
Nanjing	Yuhuatai Project	Urban Complex	94,774
Suzhou	Lago Paradise Land Plot No. 4	Boutique upscale residence	44,863
Total			1,454,515

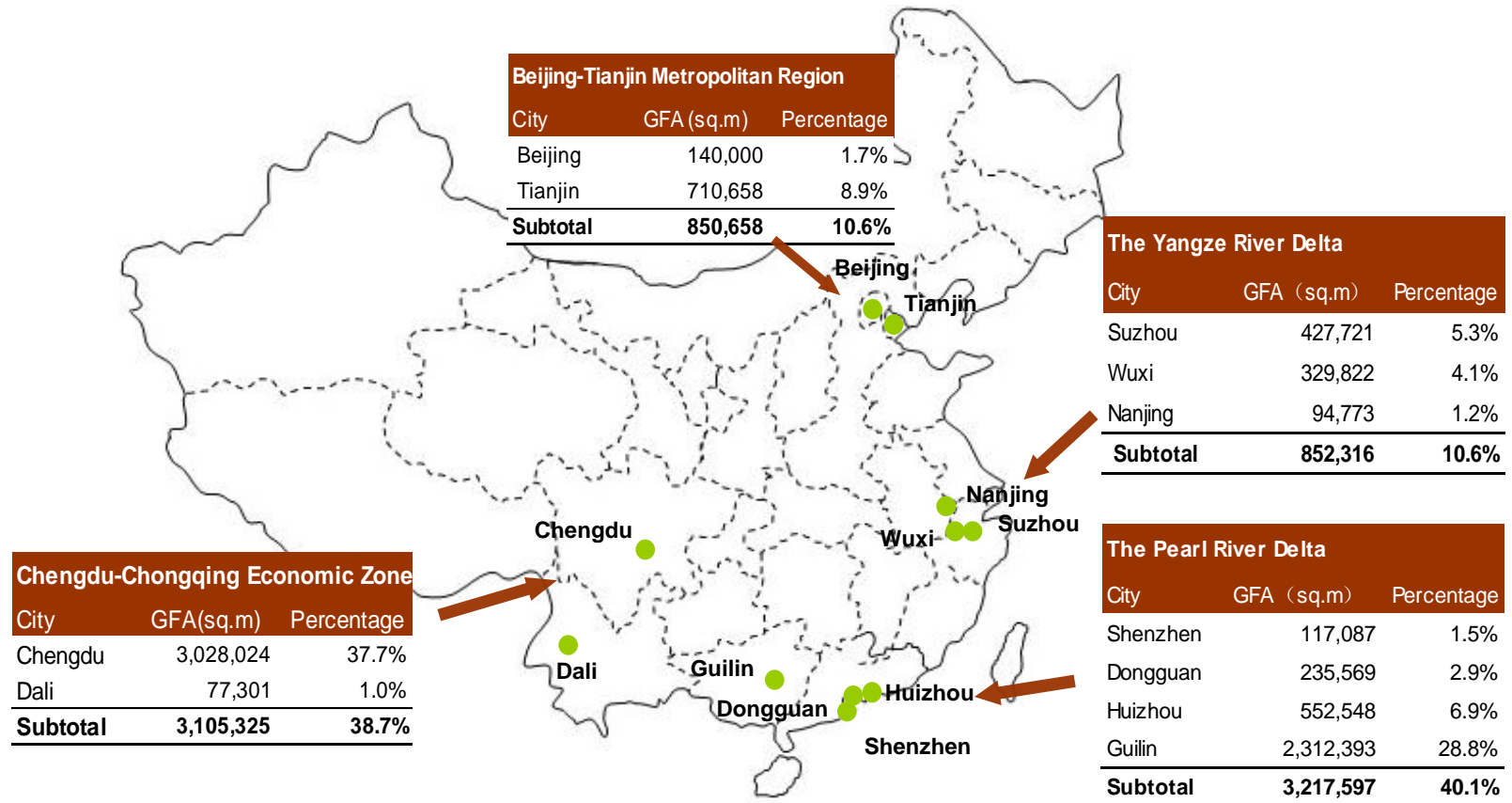
Strategic Project Planning and Execution

2012 Completed Projects

City	Project	Product Category	GFA (sq.m)
Shenzhen	Funian Plaza	Urban complex	61,156
Dongguan	Wonderland Phase 1	Boutique upscale residence	83,195
Huizhou	Fantasia Special Town Phase 2	Mid-to-high end residence	180,511
	Fantasia Town Phase 3	Mid-to-high end residence	180,586
Chengdu	Future Plaza	Urban complex	244,338
	Grande Valley Phase 2.1	Boutique upscale residence	13,080
Suzhou	Lago Paradise Land Plot No.6	Boutique upscale residence	50,755
Wuxi	Love Forever Phase 1	Boutique upscale residence	111,215
Tianjin	Future Plaza	Urban complex	55,092
Total			979,928

High Quality Land Bank: Prudent Investment and Stable Operations

Land bank spanning four major regions and 11 core cities of high strategic importance



High Quality and Low Cost Land Bank

Land bank with use right

City	Project	GFA (sq.m)	Product Category	Avg. cost (RMB/sqm)
Shenzhen	Topsearch Building Project	77,500	Urban Complex	2,754
	TCL Project	39,587	Urban Complex	7,970
Huizhou	Love Forever	160,250	Mid-to-high End	312
	Fantasia Town	392,298	Mid-to-high End	423
Dongguan	Wonderland	235,569	Boutique Upscale	923
Guilin	Fantasia Town	680,657	Mid-to-high End	393
	Lakeside Eden	1,631,736	Boutique Upscale	393
Chengdu	Grand Valley	1,556,986	Boutique Upscale	281
	Belle Epoque	283,304	Boutique Upscale	823
	Fantasia Town	180,237	Mid-to-high End	81
	MIC Plaza	449,845	Urban Complex	669
	Funian Plaza	180,168	Urban Complex	555
	Long Nian International Center	377,484	Urban Complex	1,221
Dali	Art Wisdom	77,301	Mid-to-high End	674
Beijing	Qingnian Road Project	140,000	Urban Complex	5,195
Tianjin	Yingcheng Lake Project	168,339	Urban Complex	766
	Love Forever	542,319	Boutique Upscale	1,183
Suzhou	Lago Paradise	427,721	Boutique Upscale	1,522
Wuxi	Love Forever	226,855	Boutique Upscale	1,523
	Hailrun Complex	102,967	Urban Complex	680
Nanjing	Yuhuatai Project	94,773	Urban Complex	3,043
Total		8,025,896		788

Land bank with framework agreement

City	Project	GFA (sq.m)	Product Category	Interest
Chengdu	Pixian Project	3,539,848	Urban Complex	100%
Shenzhen	Anbo Project	99,540	Urban Complex	100%
Suzhou	Taihu Hotel	49,246	Hotel	100%
Total		3,688,634		

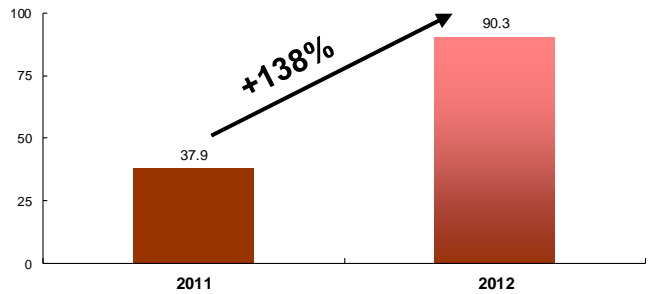
Total Land Bank: 11.72 million sq.m

Continuous Expansion of Property Services and Business Operating Capacity

In 2012, our other business such as property operation and hotel services also achieved sustainable growth.

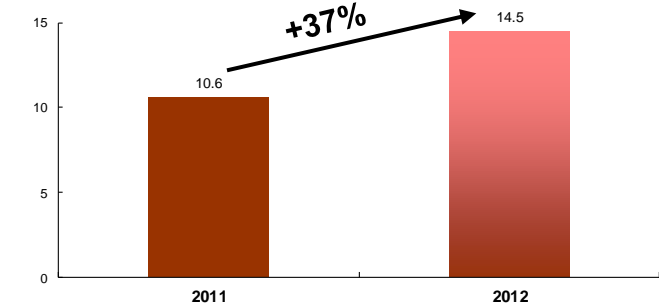
Recurrent revenue from property investment

RMB mn



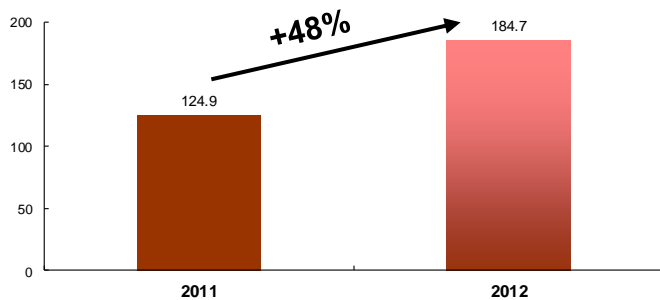
Recurrent revenue from agency services

RMB mn



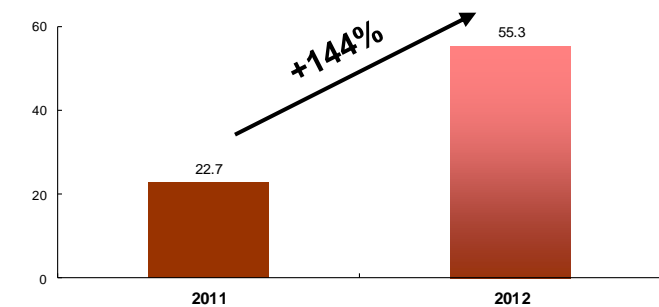
Recurrent revenue from property operation services

RMB mn



Recurrent revenue from hotel operation

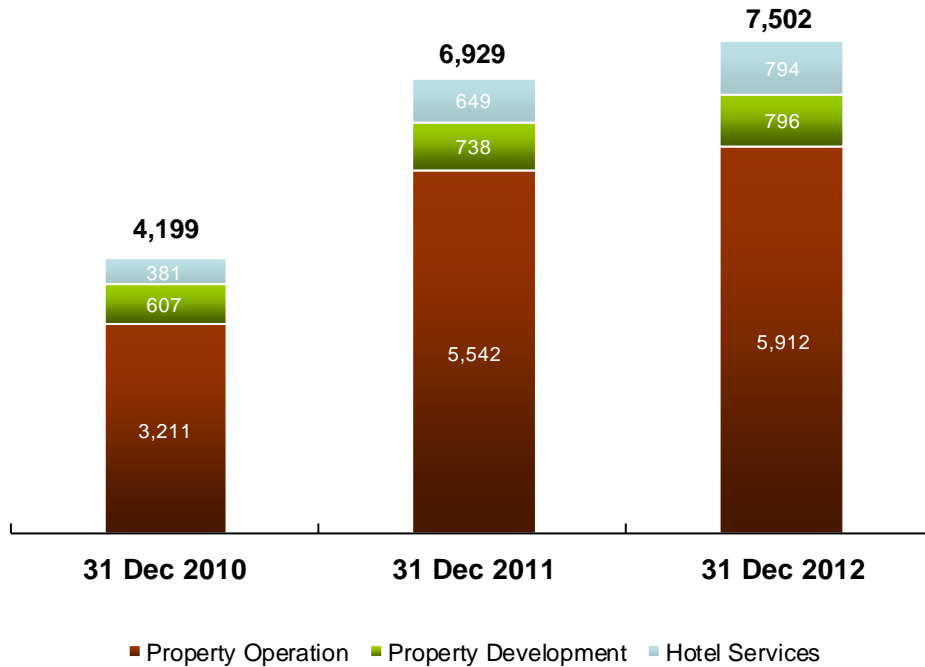
RMB mn



Maintaining Competitive Team Scale

Maintaining competitive team scale is in line with the expansion of business operations

Number of Total Employees



Business Segment	31 Dec		
	2010	2011	2012
Property Development	607	738	796
Property Operation	3,211	5,542	5,912
Hotel Services	381	649	794
Total	4,199	6,929	7,502

Section

- 1 2012 Market Review and Business Review
- 2 2012 Results Overview
- 3 2012 Business Overview
- 4 2013 Market Outlook and Corporate Strategy**
- 5 Appendix

Market Outlook - 2013

- New PRC government officials aim to maintain an all-rounded stable environment in 2013, especially social stability. The overall objective has been adjusted from maintenance of high economic growth to emphasis on social order and stability
- It is expected that the “purchase restriction and loan restriction” policy will continue, implementation of the property duty may have limited impact on the market in short-term
- In respect of PRC property market - steady growth
 - property price and market volume are expected to increase simultaneously for the first three quarters
 - “Rigid demand” products will continue to be mainstream products, while improved and investment products will also flourish
 - Market differentiation between cities may continue and become more prominent
- For the land market, we believe the government policies may not have substantial changes in 2013
- Demand for and supply of land is expected to increase, land price and market volume may increase in the similar pace as well.

Corporate Strategy - 2013

By virtue of the solid established in the real estate industry, Fantasia transformed to a property services–related enterprise mainly covering : financial service, community service, real estate development, business management, hotel management, cultural tourism and senior housing

1. Expanding the scale of community service and accelerating the implementation progress of V2.0 community service
2. Emphasizing the service ability in business, hotel, healthcare and cultural tourism sectors with a transition from heavy to light
3. Pursuing quality growth in the real estate business and gradually expanding its size through cooperation and output management
4. Developing financial business with the support of our real estate and various service platforms
5. Further improving the integration of the whole business chain of real estate by implementing industrialization and enhance our business management ability
6. Actively seeking investment opportunity in overseas emerging markets and integrating the eight property related businesses of the Group with a global vision

2013 Target

	2013 Target
Contract sales (RMB mn)	10,000
GFA of newly commenced projects ('000 sq.m)	1,520
GFA of completed projects ('000 sq.m)	1,150
GFA of available for sale projects ('000 sq.m)	1,950

让生活更有风格

Make Life in Style

www.cnfantasia.com

Section

- 1 2012 Market Review and Business Review
 - 2 2012 Results Overview
 - 3 2012 Business Overview
 - 4 2013 Market Outlook and Corporate Strategy
 - 5 Appendix**
-

Appendix I: Contract Sales in 2012

City	Project		GFA Sold (sq.m)	Contract sales (RMB'000)
Shenzhen	Funian Plaza	Urban Complex	22,592	829,320
	Others		479	11,509
Chengdu	Funian Plaza	Urban Complex	41,013	504,395
	Future Plaza	Urban Complex	61,563	645,115
	MIC Plaza	Urban Complex	23,098	171,735
	Grande Valley	Boutique upscale	16,398	154,185
	Fantasia Town	Mid-to-high end	139,273	601,008
	Others		12,651	107,541
Dongguan	Wonderland	Boutique Upscale	137,649	954,746
	Mont Conquerant	Mid-to-high end	30,162	287,893
Tianjin	Future Plaza	Urban Complex	38,247	417,735
	Love Forever	Boutique upscale	36,198	332,353
	Others		6,701	27,260
Huizhou	Fantasia Special Town	Mid-to-high end	121,949	681,422
	Love Forever	Mid-to-high end	19,671	94,700
Suzhou	Lago Paradise	Boutique upscale	17,904	223,613
Wuxi	Hailun Complex	Urban Complex	14,177	148,571
	Love Forever	Boutique upscale	42,891	304,232
Dali	Art Wisdom	Mid-to-high end	36,092	255,175
Guilin	Fantasia Town	Mid-to-high end	103,533	545,003
	Lakeside Eden	Boutique upscale	13,201	169,649
Nanjing	Yuhuatai Project	Urban Complex	24,463	546,641
Total			959,905	8,013,801

Appendix II: Planned Newly Commenced Projects in 2013

City	Project	Product Category	GFA (sq.m)
Shenzhen	Topsearch Building Project	Urban complex	40,000
Huizhou	Fantasia Special Town	Mid-to-high end residence	170,000
Chengdu	MIC Plaza phase 2.3.1	Urban complex	60,000
	Long Nian International Center Phase 1.2 and 2.1	Urban complex	250,000
	Grande Valley Phase 2.2.2 and 2.2.3	Boutique upscale residence	50,000
	Belle Epoque Phase 2.2	Boutique upscale residence	10,000
	Fantasia Town Phase 5	Mid-to-high end residence	350,000
Tianjin	Lover Forever Phase 1.2 and 1.3	Boutique upscale residence	130,000
Suzhou	Fantasia Special Town	Boutique upscale residence	120,000
Guilin	Fantasia Town Phase 2	Urban complex	200,000
	Lakeside Eden	Boutique upscale residence	140,000
Total			1,520,000

Appendix III: Planned Completed Projects in 2013

City	Project	Product Category	GFA (sq.m)
Huizhou	Love Forever Phase 1	Mid-to-high end residence	100,000
Dongguan	Wonderland Phase 2 and 3.1	Boutique upscale residence	150,000
Chengdu	Funian Plaza	Urban complex	180,000
	Fantasia Town Phase 4.1	Mid-to-high end residence	50,000
Tianjin	Love Forever Phase 1.1	Boutique upscale residence	80,000
Suzhou	Lago Paradise Plot No. 4	Boutique upscale residence	30,000
Wuxi	Love Forever Phase 2	Boutique upscale residence	50,000
	Hailrun Complex	Urban complex	100,000
Nanjing	Yuhuatai Project	Urban complex	90,000
Guilin	Fantasia Town Phase 1	Urban complex	240,000
Dali	Art Wisdom	Mid-to-high end residence	80,000
Total			1,150,000