

Fantasia Holdings Group Announces 2011 Annual Results

**Contract sales of RMB7 billion, exceeding the RMB6 billion
annual sales target
Net profit increased 42.9% to RMB1.154 billion**

- Contract sales in 2011 increased by 80% year on year to RMB7 billion
- Operating revenue amounted to RMB5,592 million, representing a year-on-year increase of 25.1%
- Gross profit recorded an increase of 24.3% year on year and amounted to RMB2,392 million, gross profit margin remained at a high level of 42.8%
- Profit attributable to the owners of Fantasia increased by 42.9%, reaching RMB1,154 million; net profit contributed by the core business of Fantasia increased by 59.1%, reaching RMB859 million
- Basic earnings per share for year 2011 was RMB0.23, up 35.3% over last year
- As of 31 December 2011, Fantasia held cash totaling RMB1,336 million, while the net gearing ratio was 71.4%, maintaining a strong and stable financial position
- The Board of the Company proposed a final dividend of HKD4.00 cents per share for 2011, with a dividend payout ratio of about 20% of core profit

12 March 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, is pleased to announce the consolidated financial results of the Company and its subsidiaries for the year ended 31 December 2011.

Profitability continues to grow against a backdrop of sluggish market

For the fiscal year ended 31 December 2011, Fantasia recorded total revenue of RMB5,592 million, representing a year-on-year increase of 25.1%. Revenue derived from property development was RMB5,396 million, representing a year-on-year increase of 24.9%. This increase was primarily due to an

increase in Gross Floor Area (“GFA”) and an increase in the average selling price of properties sold to customers. Gross profit increased from RMB1,925 million of 2010 to RMB2,392 million of 2011, representing an increase of 24.3%. Gross profit margin remained at a high level of 42.8%. The increase was mainly benefited from the increase in total income in 2011, and the optimization of product portfolio.

Profit attributable to the owners of the Company was approximately RMB1,154 million, representing a 42.9% growth from RMB807 million in 2010. This increase was primarily due to an increase in properties sold and recognized in 2011 as compared to that in 2010. Our net profit margin significantly increased to 20.6% in 2011 from 18.1% in 2010. Basic earnings per share for 2011 was RMB0.23, up 35.3 % over last year.

Mr. PAN Jun, Chairman and CEO of Fantasia, commented, “The real estate industry in China suffered from gigantic political, market and financial pressure in 2011. During the year, Fantasia made proactive response to the market adjustment, and leveraging on the growing contribution from various regions under the strategic development of market penetration and expansion upon listing, the leading competitiveness of the urban complexes offered by the earlier product transformation undertaken few years ago and adherence to the strategy of flexible marketing approach and prudent investment, we have accomplished outstanding results in the sluggish market, achieving results well beyond the annual contract sales target set at RMB6 billion.”

Annual contract sales of RMB7 billion, exceeding the full year sales target

In 2011, Fantasia realized contract sales of RMB7,005 million, and contract sales area of 746,104 square meters. Among which, urban complex accounted for 55% of total contract sales. In terms of regional distribution, the contract sales contribution of our real estate business were mainly derived from 9 cities, including Chengdu and Shenzhen, and 18 projects, namely Shenzhen Meinian Plaza, Chengdu Fantasia Town, Chengdu Meinian International Plaza, Chengdu Future Plaza, Chengdu Funian Plaza, Dungguan Wonderland and Huizhou Fantasia Special Town, as compared to 7 cities and 15 projects for the same period last year. This reflects that our Group has achieved rapid development in gaining presence in cities with strategic importance after listing while its business development in the newly entered cities has become more mature and this has in turn allowed a more balanced business development and enhanced geographic presence.

In 2011, the GFA of Fantasia’s newly commenced projects of our Group exceeded 1.8 million square meters, representing a significant increase as compared to 2010; while area of completed projects was approximately 0.7 million square meters, representing an increase of 26% year on year.

Land planning adjustment in the challenging environment

Under the volatile market environment in 2011, the industry confronted again with stagnation. In face of the enormous challenges posed to the industry during its development, our Group has put stronger emphasis on conservative operation and implemented strict and prudent control over investment risk. Over the whole year, we only undertook one land acquisition project of TCL Shekou (TCL蛇口) in Shenzhen where land resource is scarce.

As at 31 December 2011, the planned GFA of Fantasia's land bank amounted to approximately 8.27 million square meters, and the planned GFA of properties with framework agreements signed amounted to 4.96 million square meters.

Promote private brand hotels to enhance operational capabilities

During the reporting period, we stay on track of undertaking strategic studies, formulating the layout and devising cooperation on strategic community services, hotel management, commerce management, cultural tourism and senior housing, and strategic service and commerce operation businesses have achieved steady growth with the support of the real estate development business. Color Life Service Group under our Group was officially established in 2011 and has formed a regional business network covering 16 core cities spanning across four regions, comprising the eastern, southern, western and northern regions of the country. Fantasia Hotel Management Company (花樣年酒店管理公司) has entered into entrusted management agreement or arrived the intention of cooperation with Starwood Hotels & Resorts Worldwide, Inc. (喜達屋酒店管理集團) in respect of Guilin Fantasia Town hotel project, Grand Valley hotel project, Chengdu Meinian International Plaza hotel project and Chengdu Pixian County hotel project, and this would allow us to further expand our cooperation platform with international well-known hotel management groups. Meanwhile, we have also established the positioning of the private brand of "U" hotel and "HYDE" hotel and formulated our investment and development models with our analysis undertaken. All such efforts contributed to the effective development, construction and operation of our private brand hotels.

Stable operation and prudent investment, construct competitive strength in strategic business

The growth of Chinese economy will continue to suffer in the course of mid-long term transformation and encounter the pressure on striking a balance between the economic growth and rising inflation. The central government is expected to remain firm in such rounds of control over the real estate industry

and we believe mid-term controlling measures on real estate market will continue to be introduced. It is anticipated that the Chinese real estate industry will experience difficulties in 2012, where it is highly probable that the market will endure a downturn before looking to a rise. In 2012, remaining “strong and prudent” will be the basic philosophy for our Group’s operation for the year. We will continue to achieve steady growth by setting financial security as our priority, putting our development focus on non-purchase-restriction products and urban complexes products, strengthening our leading position in relation to diversified product lines and urban complexes products, and undertaking proactive marketing activities as to cater for customers’ needs.

Managements are confident in the Group’s development in 2012. Fantasia targets planned contract sales of RMB7.2 billion, planned area of newly commenced projects of 1 million square meters and a planned area of completed projects of 0.8 million square meters. “In the coming few years, our Group will, while continuing to promote the growth of the real estate development business steadily, improve its capability in services and commerce operations with the real estate development business platform and build up its competitive strength in the strategic business for the Experience Economy era.” Mr. PAN Jun concluded.

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Fantasia Group

Founded in 1996, Fantasia Group is a leading property developer and property-related service provider in China, and is committed to providing customers with a full life cycle of housing products and services. 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 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 published by Wonderful Sky Finance Group Limited on behalf of Fantasia Group.

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