



Fantasia Holdings Group Announces 2013 Interim Results

**Thoroughly Implemented the Framework of Eight Major Real Estate
Value-Added Services
Continuously Enhanced Overall Competitiveness**

Business Review

- ✓ Total contract sales for the first half year of 2013 recorded approximately RMB3.67 billion
- ✓ Total revenue increased by 128.3% over the same period last year to approximately RMB2,751million
- ✓ Gross profit amounted to approximately RMB1,030 million while gross profit margin remained at a high level of 37.5%
- ✓ The Group's profit for the year attributable to the owners of Fantasia increased by 57.7% to approximately RMB317 million
- ✓ Basic earnings per share for the first half year of 2013 was RMB0.06
- ✓ The Group's bank balance and cash as at 30 June 2013 was approximately RMB4.20 billion, representing an increase of 20.1% as compared to that as at 31 December 2012
- ✓ The Group issued senior notes in the amount of US\$250 million at an interest rate of 10.75% due 2020 and RMB1 billion at an interest rate 7.875% due 2016 in January and May 2013, respectively

19 August 2013, Hong Kong - **Fantasia Holdings Group Co., Limited** ("Fantasia" or "the Group", SEHK stock code 1777), a leading property developer and property related services provider in China, announces Interim Results of the Group for the six months ended 30 June 2012 (the "Reviewing Period")..

As at 30 June 2013, Fantasia achieved a total revenue amounted to approximately RMB2,751 million, increased by 128.3% over the same period last year, the increase is primarily attributable to the increase in the Group's total gross floor area in accordance with the Group's development plan delivered to purchasers as compared to the corresponding period in 2012. For the period under review, gross profit increased by 104.8% to approximately RMB1,030 million as compared to that in 2012. Gross profit margin maintained at a high level of 37.5%. Profit attributable to owners of the Company increased by 57.7% to approximately RMB317 million. Basic earnings per share for the first half year of 2013 was RMB0.06.

Mr. PAN Jun, Chairman and CEO of Fantasia, commented, “2013 sees the unfold of Fantasia’s 10 year’s strategy. Confronted with the changes, opportunities, hardships and challenges of the market, Fantasia firmly took the first step to implement the new strategy, and formulated the theme of “transformation, innovation and breakthrough”. Fantasia emphasized repeatedly the importance of the two core capabilities of the company – finance and service to complement its core business of property management. During the first half year of 2013, Colour Life Group, a non-wholly owned subsidiary of the Group, reorganized its business and brought in strategic investors for the Spin-Off Proposal. Regarding to real estate development, the Group moved its first step to the international market. Adhering to prudent operating strategy, the Group entered the Singapore real estate market with an aim of providing a more stable and balanced growth and income for Fantasia. Fantasia is constantly committed to providing customers with “joyful, colourful and meaningful” experience service, and this motto was in the subconsciousness of every member of Fantasia, who diligently seeks to enable customers to enjoy the process and the result of the experience.”

Two Successful Issuances of Overseas Notes to Further Optimize Debt Structure

The Group issued senior notes in the amount of US\$250 million at an interest rate 10.75% due 2020 and RMB1 billion at an interest rate of 7.875% due 2016 in January and May 2013, respectively, which were well received by the market. The issuance of such senior notes was crucial for the Group to replenish cash and secure balanced and healthy debt maturity profile in an unstable market condition.

First Step Firmly Taken to Implement the New Strategy of “Transformation, Innovation and Breakthrough” and Strategic Breakthrough in Primary Business in the Unfold of Fantasia’s 10 year’s Strategy

1. Substantial Growth in Real Estate Business Registered by means of Strategic Adjustments to Business Strategy

For the first half year of 2013, the Group recorded a significant increase in the revenue from the real estate business compared to the corresponding period in 2012. The increase is primarily attributable to a series of adjustments in the Group’s operation strategies in 2012. The Group also expanded its real estate businesses strategically into Shanghai and Ningbo. During the period under review, revenue derived from property development increased by 142% to approximately RMB2, 541 million for the six months ended 30 June 2013 from approximately RMB1, 050million for the corresponding period in 2012, recorded contract sales of RMB3, 668 million and contract sales area of 450,987 sq.m., representing an increase of 9.5% and 16% over the same period last year respectively. In the second half of the year, the Group will launch more products that are close to market demand, to help achieve the RMB10 billion sales target for the year. The Group will adjust its business layout in urban area as well as land structure so that it will match more with the Group’s strategies. Besides, to realize growth in cash flows and profits simultaneously, The Group will focus on the products with rigid demand in Tier-1& Tier-2 cities in the PRC and complement by developing commercial projects in the core locations in four Tier-1 cities. As at 30 June 2013, the Group had nine projects or phases of projects which were newly commenced, 17 projects or phases of projects under construction and 19 projects or phases of projects held for development.

Amid its fast growth in real estate business, the Group further enhanced all-round business chain integration in real estate industry with a view to promote the implementation of housing industrialization. Moreover, by means of management output, the Group promoted asset-light operation in real estate business.

2. Enhance the Quality of Community Services

Colour Life Services Group Co., Limited ("Colour Life") a subsidiary of Fantasia, since its establishment in 2000, has experienced rapid growth in scale and profit. Colour Life was named "China's Largest Community Service Operator" in terms of the number of residential units managed as of 31 December 2012 by China Index Academy in 2013. As announced by Fantasia on 14 June 2013, Fantasia would evaluate Colour Life business model and strive to optimize its business portfolio, and may further restructure its residential property management business through an initial public offering of the shares of Colour Life, depending on the market conditions and subject to the regulatory approval.

3. Accelerated Asset-Light Operation of Hotel Business

As an important component of the Group's businesses, hotel business had quickened asset-light operation in the first half year of 2013. The Group's hotel management subsidiary entered hotel REIT cooperation alliance with CORIDEL on 2 July 2013 and formally announced the close cooperation in the global market on the merger and acquisition of hotel projects, financial operation, brand operation and commissioned management with an aim of establishing long-term, amicable and strategic alliance. On 1 August 2013, Fantasia Hotel Co., Ltd ("Fantasia Hotel") announced its official takeover of Ningbo Kangcheng Sunshine Hotel (寧波康城陽光酒店) and introduced its owned U (有園) hotel brand. It's the first hotel commissioned project run by U hotel brand, which also marked Fantasia Hotel's official entry into Eastern China market. It's predicted that, in the coming 3-5 years, Fantasia plans to set up approximately 16 hotels of different scales and types in Chinese and overseas markets, with a total gross floor area of 280,000 sq.m..

4. Financial Business Begins with Micro Credit Trial

The uniqueness of the micro credit business of Fantasia lies in the fact that it focuses on providing financing to facilitate its property developments to complement its core business of property development and the Company aims to provide such services to its customers as value-added services. In the first half year of 2013, Fantasia established its first micro credit company in Guilin and is expected to successively promote and develop the business nationwide in the future. Furthermore, the establishment of the Qianhai Financial Service Company of Fantasia (花樣年前海金融服務公司) is almost completed and will step into financial businesses in the second half of the year.

5. Actively Exploring Overseas Businesses

With the speeding up of the process of economic globalization, the Group has placed growing emphasis on the exploration of overseas market and starting three years ago, the Group has already commenced on the strategic work of regional research and identified opportunities. Currently, the Group has set up offices in Hong Kong, Taipei, Singapore and Tokyo. For the first half year of 2013, the Group chose to invest its first property project, primarily comprising of high-end apartments covering around 15,000 sq.m. in Singapore, and it is expected that this project will generate strong and stable sales income to the Group, representing a good investment return. The Group bring to its overseas projects our innovative experience, which was accumulated over one decade on how to explore the value of space for small apartments. The project is expected to be launched by the end of this year. The Group lays more stress upon establishing a distinctive Fantasia business mode other than upon single investment income, with a view to realize future continuous growth by integrating global resources.

Implement Ten-Year Plan of Strategic Transformation from Asset-Heavy to Asset-Light Service Capabilities

Looking forward, it is widely recognized that the upcoming mobile network era will gradually change people's consumption habits which will somehow constitute a challenge to the traditional business model. Based on the above conception, the Group has globalised its businesses and put forward a strategy of transformation which stresses on service capability and which relies less in capital investment. Having taken into account the future consumption trend, the Group is currently focusing on eight major business areas. While persistently pursuing its great business dreams, Fantasia will strive more robustly to create a business ecosphere in which it, together with its counterparties, can coexist and thrive. In the meanwhile, the Group hope that all stakeholders will jointly create greater benefits and returns.

— End —

About Fantasia Group

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 RMB24.5 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-around real estate financial operations, investment, development, operation and community services, covering eight major areas of value-added services, namely financial service, community service, property management, real estate development, business management, hotel management, cultural tourism and senior housing.

Currently, Fantasia is moving forward its expansion in international operations by setting up offices in Hong Kong, Taipei, Singapore and Tokyo as well as with projects invested in Singapore. It is committed to be the leading provider for interesting, tasteful and colorful living space and experience. Fantasia aims to provide unique and abundant living space and experience to value-oriented customers, offer our shareholders inclusive growth and competitive return, realize continuous growth for both our strategic partners and employees, and make sustained contributions to society.

This press release is distributed by Wonderful Sky Financial Group Limited on behalf of Fantasia.

For further information, please contact:

Wonderful Sky Financial Group Limited

Kevin Mao / Tracy Qian / Margaret Wang

Tel : (852) 3970 2157/(852) 3970 2156/(852) 3970 2155

Fax : (852) 2815 1352

E-mail : kevinmao@wsfg.hk / tracyqian@wsfg.hk / margaretwang@wsfg.hk