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Fantasia Holdings Group Co., Limited

(Stock code: 1777)

**S&P upgrades Fantasia’s credit outlook to “Stable” from “Negative”
with “B+” long-term corporate credit rating affirmed**

**Conversion to asset-light business model recognized by global rating agency
Contracted sales in first quarter of 2015 meets market expectations
Fantasia looks set to attain full-year contracted sales target in 2015**

(30 April 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 that Standard and Poor’s Ratings Services (“S&P”), a leading provider of credit ratings, research, and risk analysis, has upgraded the credit outlook of Fantasia to “Stable” from “Negative” and affirmed its “B+” long-term corporate credit rating and “B” issue rating on the outstanding senior unsecured notes.

According to S&P, the upgrade reflected Fantasia’s improvement in profitability and financial position. S&P anticipates that Fantasia’s leverage ratio in 2015 will be improved while EBITDA margin will stabilize over the next two years. With reference to the cash position and short-term borrowings, Fantasia’s refinancing risk is manageable from S&P’s view. In addition, the Company’s expansion in the high-margin property management business will also support its profitability.

Mr. Pan Jun, Fantasia’s Chairman and Chief Executive Officer, said: ‘We are glad that S&P has upgraded our credit outlook. This reflects that our sales execution, financial capability and business strategies are recognized by international financial market. Fantasia achieved tremendous progress in converting to asset-light business model while maintaining stable growth in property sales. By putting its eight major businesses into full operation, Fantasia has developed a community-services business, which is the largest of its kind in China, and has thereby established our “Fantasia Model” as the exemplar for business transformation among the real estate developers.’

During the first quarter (from January to March) of 2015, Fantasia’s accumulated GFA sold was approximately 229,514 sq.m. and the corresponding contracted sales aggregated approximately RMB1.67 billion, representing year-on-year increases of 91.0% and 142.1% respectively. In addition to the tremendous growth in sales, Fantasia also made significant improvements in financial management and leverage ratio. Cash and bank balance as at the end of 2014 was RMB4,653 million, up by 28.1% from the end of 2013. Net gearing ratio declined substantially by 18.1 percentage points to 86.7%. It is expected that the businesses with asset-light model will

grow rapidly and contribute to the Group's stable cash flow and revenue in the long run.

Commenting on the market environment in 2015, Mr. Pan Jun, Chairman and CEO of Fantasia, said, "On the back of various favourable policies, the property market has been continuing to revive, and transaction volume increases steadily. The Group will capitalize on the improvement of the property market by proactively adjusting the pace of its sales according to market changes, and by speeding up the inventory clearance in order to achieve continuous rapid growth in sales. Accommodating this trend, the Company will continue to carry out its strategic transformation. This year, Fantasia's listed-subsiidiary, Colour Life (HKEx stock code: 1778), will act as the core operating platform and cooperate with more upstream and downstream operators to speed up the establishment of business community ecosystems and embrace the "Internet +" era."

Currently, Colour Life is exploring opportunities in cross-industry cooperation with domestic and overseas industry leaders who focus on the provision of daily living services. This will enable Colour Life to leverage both its own capability of providing professional services and the competitive edges and commercial resources of the upstream and downstream business partners. Colour Life is forming a "community +" ecosystem for communities and households with the aim of creating an equivalent of "Tencent" or "Alibaba" in the field of community services in China.'

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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. 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 Property Development, Colour Life Residential Community Services, Community Financial Services, International Commercial Property, Community Business Management Services, Community Cultural Tourism Services, Community Retirement Life Services and Community Education Industry.

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