



Fantasia announced 2017 Annual Results

Profit attributable to owners of the Company increased by 43.3% to RMB1,154 million

Contracted sales far exceeded sales target, increased significantly by 65.2% yoy to RMB 20.164 billion

Achieved breakthroughs in asset-light business

Leverage on the “asset-light and heavy” strategy to build up an integrated community-oriented industrial and financial group

Financial and operation highlights:

Surpassed the contracted sales target and continued to improve performance

- The Group achieved contracted sales of RMB20,164 million in 2017, up 65.2%
- Gross profit margin maintained at a relatively high level at 29.6%
- Profit for the year attributable to owners of the Company increased by 43.3% to RMB 1,154 million
- Basic earnings per share were RMB0.20, up 42.9%
- The Board proposed the payment of final dividend of 7 HK cents per share

Abundant cash flow as a result of enhanced capital structure and debt portfolio

- The net gearing ratio as at the end of 2017 was 76.0%, down 7 percentage points year-on-year
- Sufficient cash flow, by the end of the year, the Group’s bank balances and cash were approximately RMB16,442 million

The emergence of an industrial and financial group pattern in “Community+” layout and its advancement of capitalization

- Business segments (such as the operation of properties and hotels) which generate recurring income accounted for 32.5% of the total revenue, increased significantly by 9.1 percentage points from the previous year
- **Colour Life** expanded the GFA under its management to 440 million sq.m. in aggregate in 2,384 projects, with a year-on-year growth of 40.9 million sq.m. and 45 communities respectively, and has successfully consolidated Wangxiangmei Management Co. Ltd which provides property management services to over 132 communities with a total GFA of over 40 million.
- **Home E&E**’s projects cover over 60 cities across the country with a total management area of 35 million sq.m.

- Other business segments, including the **Financial Group, Business Management Group, the Culture and Tourism Group, Futainian, the Education Group** and the **Fund Company** were in good business progress and met the management's expectations

(20 March 2017, 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), the largest community service platform in China, today announced its annual results for the year ended 31 December 2017.

In 2017, the contracted sales of Fantasia's real estate business recorded a 65.2% year-on-year (YoY) increase to RMB20,164 million, exceeding this year's sales target of RMB15 billion. The Group recorded a total revenue of RMB9,783 million. Profit for the year attributable to owners of the Company increased significantly by 43.3% to RMB1,154 million. The gross profit margin maintained at a relatively high level at 29.6%. Basic earnings per share were RMB0.2, representing a 42.9% increase (2016: RMB0.14). The Board proposed the payment of a final dividend of HK 7 cents per share.

The group continued to maintain a steady financial growth, as at the end of 2017, the Group's bank balances and cash were approximately RMB16,442 million. The net gearing ratio as at the end of 2017 was 76.0%, representing a decrease of 7 percentage points YoY.

Contracted sales in excess of target by topping RMB20 billion for the first time

The Group recorded contracted sales for the year of 2017 of over RMB20,164 million, representing a significant growth of 65.2% and far exceeding the Group's annual sales target of RMB15 billion. The Group recorded contracted sales GFA of 1,909,998 sq.m., a significant YoY increase of 44.1%. Of which, urban complexes projects, upscale boutique residences projects and mid-to-high end residences projects accounted for approximately 21.3%, 64.4% and 14.3% of the Group's total contracted sales respectively. During the year, the contracted sales contribution to the Group's real estate business were mainly derived from 14 cities, including Wuhan, Chengdu, Guilin, Huizhou and Nanjing. Of which, the major markets including the Pearl River Delta, Central China, Yangtze River Delta Region and Chengdu-Chongqing Economic Zone accounted for 33.8%, 21.9%, 20.6% and 18.9% of the total contracted sales respectively.

In terms of the land bank, the Group continued to adhere to its prudent investment strategy and its development direction of acquiring land in first- and second-tier cities, such as Beijing, Shanghai, Shenzhen, Wuhan and Chengdu, which enjoy strong market potential and capable of delivering rich returns. As at 31 December 2017, the planned GFA of the Group's land bank amounted to approximately 15,609,140 sq.m. and the planned GFA of properties with framework agreements signed amounted to 6,626,826 sq.m. Amongst the land bank, first-tier cities accounted for 25.9%, and second-tier cities accounted for 65.8%.

Solidified leadership position as "the world's largest community services platform operator" with major breakthroughs in value-added services

In 2017, Colour Life (HKEx code: 1778), a Fantasia subsidiary, had a total contractual management area of 440.0 million sq.m. and rendered services to a total of 2,384 communities, representing a YoY increases of 40.9 million sq.m. and 45 communities respectively. Most of the newly-added communities under contractual management were obtained by way of discretionary authorisation, fully indicating the industry market competitiveness and brand awareness of Colour Life. Meanwhile, Colour Life has established connections with excellent partners in the industry through platform cooperation and exported its underlying technology to help them exploring new source of value-added services without separating the profits of fundamental property services owned by cooperative partners at the same time.

As at 31 December 2017, the service area under Colour Life's platform reached 900.0 million sq.m., including a self-managed area of 436.0 million sq.m. and a cooperatively-managed area of 464.0 million sq.m. With continuous expansion in service scale of the platform, as at 31 December 2017, the number of registered

users of Caizhiyun (彩之雲) exceeded 10.34 million, of which 3.494 million were active users, representing an increase of 241.7% and 101.2% respectively as compared to the end of 2016, with 33.8% high level active users. The revenue from its value-added business amounted to RMB276.8 million for the year, representing a YoY growth of 76.5% with a high gross profit margin of 82.0%. Such revenue contributed to 42.9% of Colour Life's segment profit and was the second largest source of revenue and profit in the business distribution.

In 2017, Colour Life's core product "Two Colours" continued to maintain a rapid growth momentum. The annual newly cumulative turnover of "Colour Wealth Life Value-added Plan" amounted to RMB5.68 billion. Meanwhile, "Colour Life Residence" made a shift from typical one-off sale of developers to the sales pattern of "House Plus Services", which has been implemented in 67 cities nationwide and has signed cooperation agreements with 41 developers.

At the Extraordinary General Meeting of Colour Life on 28th February 2018, Colour Life's resolution on consolidation of Wanxiangmei was officially passed. Wanxiangmei provides property management services to over 132 communities with a total GFA of over 40 million sq. m. For the ten months ended 31 October 2017, Wanxiangmei recorded a net profit of approximately RMB235 million, a 15-time increase compared to the same period in 2016.

In the future, the core mission for Colour Life is to gradually turn registered users into active users and then consumer users eventually through online plus offline operating strategy to fuel the growth of trading volume and value-added business.

Rapid expansion and continuous innovation of Home E&E

As at the end of 2017, the Group's **Shenzhen Home E&E Commercial Services Group Co., Ltd** built up an online and offline commercial community eco-platform similar to Fantasia in nature through continuous innovation. Existing projects cover over 60 cities across the country with a management area of 35 million sq.m., forming a strategic business landscape covering the core regions in China, including Northern China, Central China, Eastern China, Southern China, South-western China and North-western China. In 2017, Home E&E strengthened its management, improved its operating performance and achieved customer's value conversion.

For commercial property asset management, the leasing business with around 40 projects has sprawled in more than 20 cities nationwide, including Shenzhen, Shanghai, Tianjin, Chengdu and Qingdao. Our marketing agencies projects were carried out in Nanjing, Nanchang, Hefei and Chengdu, with substantial completion in their structural framework establishment. Meanwhile, multi-service pattern works relating to industrial parks, intelligent community and community finance need to have in-depth understanding of customers' needs and optimised resources allocation. The asset management capability is strengthening gradually and has become the core competitiveness of Homer E&E to drive its further growth and make further strides towards the goal of becoming a leading commercial operator of community assets services in China.

Leverage on the "asset-light and heavy" strategy to build up an integrated community-oriented for an industrial and financial group

Qian Sheng Hua (錢生花), the online financial platform of the **Community Financial Group**, now covers the mainstream online channels such as PC based computer and app-based mobile phone channels. In 2017, the number of registered users of Qian Sheng Hua increased by 1.22 million, with cumulative platform registered users over 3.10 million, and total investment for the year was RMB8,135 million. On 6 December 2017, cumulative investment of the platform exceeded RMB10 billion, officially entered the 10 Billion Club. In the same year, its asset size increased to RMB6.5 billion with total assets of RMB11 billion. In 2017, the personal assets growth rate was as high as 1.5 times.

Upholding the business philosophy of "steady expansion from a small niche", in 2017, **Fantasia Business Management** undertook entrusted asset management projects in a more active manner to build up urban

key projects. By doing so, it gradually established strategic presence in four major regions, namely Eastern China, Southern China, Central China and Southwestern China, and has undertaken over 40 such projects in such provinces as Tibet, Jiangxi, Jiangsu, Sichuan, Guangdong, Hunan, Yunan and Guizhou. Among which, Nanjing OMG Mall has become a renowned community business complex, with a total income of nearly RMB26 million in 2017 and an occupancy rate of over 90%. Opened in June 2015, Guilin OMG Mall has recorded a total income of over RMB11 million and an occupancy rate of over 91% in 2017, becoming a flagship shopping mall in Lingui New District or even Guilin City. Opened in December 2016, “Fantasia World Outlets” in Pi County, Chengdu has recorded a total income of over RMB10 million in 2017, thus maintaining a strong growth momentum.

In 2017, **Fantasia Cultural and Tourism Company** (花樣年文化旅遊公司) made an all-round layout to accelerate the development of community tourism and aviation segments. Based on the DaXigu Tourist Resort in Pujiang County, Chengdu, Longtuo Bay (龍托灣) and Dalunan Ryuuanji (龍安寺) and leveraging on its own industry resources, the Cultural and Tourism Group aims to build a flagship tourist town integrating “culture, tourism and aviation” with Fantasia’s characteristics. The joining of Xingchen Travel Agency and Tiantai Travel Agency laid a solid foundation for open up the travel community platforms and providing all-round accommodation businesses in the future. FuNian Jet Aviation won 91 air operation certificates and LOA certificate issued by FAA successively and completed its maiden flight successfully.

In 2017, **Futainian** has comprehensively implemented its elderly care business that combines institutional care services, community care services and home care services. In terms of institutional care services, the annual occupancy rate of Fulin Retirement Home remained at over 95%. In terms of community care services, Futainian integrated the resources from all aspects of retirement service and received government grants and public service funding. For home care services, Futainian proactively engaged in the government’s procurement projects on homecare services. As at December, it won the three-year government-sponsored home care project tender, a project that designed to serve the elderly in eight streets of the Hi-tech District and Wuhou District. Futainian made great breakthroughs in the transformation and promotion of service catered for elderly. In 2018, Futainian will accelerate the development of Fulin into a chain brand, implement standard institutional management system to form a standardised operation and management system of Fulin institutional care services and create its brand influence with all its strength.

In 2017, the Group’s **education** arm achieved rapid growth in its business lines, i.e. community education, vocational education and civil education. In terms of community education, in June last year, the second child growth experience center in Dongguan, Guangdong Province was put into operation, signifying the growing influence of its community education in Southern China. For the vocational education, the education arm designed a series of new products and services and launched an online platform over the year. The business continued to extend its community coverage by rapidly developing community bases, and establishing stable and reputable connections to collect large amounts of family data. For the civil education, the education arm sped up its investment in mergers and acquisitions of, educational cooperation with kindergartens, international schools and private vocational schools. In the future, it is expected to further improve the whole product chain in the education industry.

The Group’s **fund company** Shenzhen Qianhai Jianian Investment Fund Management Co., Ltd. (深圳前海嘉年投資基金管理有限公司), is a professional private fund management platform of the Group engaging in entrusted management of equity investment fund, equity investment, entrusted asset management and investment management.

Conclusion

Mr. Pan Jun, Chairman of Fantasia said, “Looking forward, 2018 marks a critical year for Fantasia’s development and expansion. Through integrating the corporate’s internal and external resources, the Company will form an organic ecosystem based on the ‘asset-light and heavy’ strategy business system. While as constructing, adjusting and improving the business structure and layout, the Company will achieve steady yet rapid increase in total assets and achieve effective integration and collaboration of the Group’s business

system and model. Building multi-capital platforms and multi-brand systems and achieving the Group's 'investment, asset and capital' effective cycle. This will convert Fantasia Group into an industrial finance company that focuses on living space and experience, and lay a solid foundation for the long-term development of the Company and create good returns for shareholders."

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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 under the stock code 1777. Having completed its business strategic layout in the upcoming era of mobile internet and customer big data, Fantasia Group has evolved into a leading financial holding group in China, with a business model driven by financial operations, anchoring on services, and supported by property development. Fantasia conducts full-range of operations and community services, covering eight major areas of value-added services in 181 cities in mainland China, namely – financial services for communities, Colour Life Residence services for communities, property development, operation of commercial properties for international business and tourism, cultural tours of communities, commercial property management in communities, elderly care and education in communities. So far, the Group has three publicly-listed companies – Fantasia Holdings Group (01777.HK), Colour Life (01778.HK) and Home E&E (834669.CC). It has become the world's largest residential community service operation provider.

Currently, Fantasia is progressing with its international business expansion plan and has established branches in Hong Kong, Taipei, Singapore and Tokyo as well as investing property development projects in Singapore, the United States of America and Taiwan.

It is committing to be the leading industry participant which provides a joyful, colourful and meaningful living space and experience and aims to deliver unique and inspiring living space and experience to value-oriented customers.

To learn more about the Company, please visit Fantasia's website at: www.cnfantasia.com

For more information, please contact:

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