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花样年控股集团有限公司  
FANTASIA HOLDINGS GROUP CO., LTD.



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# **2016 Interim Results Presentation**

## **—— August 2016**

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# Agenda



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1. Business Review
2. Financial Review
3. Market Outlook for 2H2016
4. Appendix

# Adhered to the “Community+” Business Ecosystem Strategy, Develop the “Industry Financial Group”



## Business Community

- The Business management team has been proactively developing commercial light-asset model projects, taking east, south, central, north, and southeast China as a fulcrum to leverage the national market. It has exported management expertise to 20 projects, covering key provinces in the country

## Retirement Communities for Senior Citizens

- In 1H2016, Futainian continued its exploration in subsidizing food & beverage for the elderly, with the great effort to provide low-price but high quality nutritious meals, as well as to establish service stickiness with the elderly.
- Take health management as value-added service, Futainian will link all high quality medical resources, utilize smart elderly care facilities and build big data platform for smart elderly care, with an aim to achieve full coverage for all senior citizens.

## Community Cultural Tourism

- In 1H2016, the Cultural Tourism Group completed distance integration. Taking “Hotel + Tourism” as the core of development, it focuses on cultivating key business including hotel development and management, tailor-made tourism, to achieve the transformation to a light-asset business model

## Community Education

- With a family-focus, to develop a new modern education services platform and a growth experience platform for children through integration of the internal and external education, business and community resources under Fantasia, Colour Life and Home E&E
- On 31 May 2016, the Group signed a cooperation agreement with Virscend Education Company Ltd.

## Community Finance

- Backed by the Group’s community service operating platform as well as a diversified financial services landscape, to provide tailor-made, convenient and valuable financial services for the community, thereby developed into a warm connection to community family wealth

## Residential Community / Colour Life

- In Feb 2015, Colour Life acquired Kaiyuan International for RMB330 million, facilitating its plan in the high-end market
- Colour Life continued to maintain its position as the world’s largest community services operator, with GFA under its management aggregating over 360 million sq.m. by 1H2016



## Manufacturer of Communities

- For the year ended at 30 June 2016, the Group achieved contracted sales of approximately RMB4.8 billion with approximately 448,271 sq.m. in aggregate sold GFA



## Commercial Community / Home E&E

- Home E&E’s added 4.7 million in area under management during the year, while its city projects extended reach to 35 cities in China. Also, it has expanded into provision of short-term resort rental value-added services, thereby established a strategic countrywide footprint covering core regions in the country
- In June 2016, Home E&E was included in the “innovation firms” category in NEEQ, with its high profitability based on high quality property management service and innovative business model



# Colour Life: Establish ecosystems, persistently nurture a concept that puts residential communities on the top priority



## Open to Vertical Cooperation

- In 2016, the online platform of Colour Life also achieved significant development. Through essential functions that are frequently used, including property management fees payment, complaints handling and card-swipe entrance access, interactions and communications among community. Thus, the stickiness of residents to the Caizhiyun APP increased, which boosted Colour Life's capability in exploring and constructing access and scene in communities, thereby facilitated seamless integration of its online and offline businesses
- As of 30 June 2016, registered users under Caizhiyun aggregated 2.15 million, with 1.13 million or 53% were active users
- Results of third-party usage for Caizhiyun were remarkable with records of satisfying operating data, showing that the Colour Life ecosystem was gradually taking shape. For example, by 1H2016, the daily order count of E Master's averaged 8,000, up 33% from end-2015

## Shoulder the Group's Core Mission

- Colour Life is one of the important platforms in Fantasia's community strategies, shouldering the Group's core mission of becoming the largest community service operator in China
- By the end of June 2016, Colour Life had contracted management area of over 360 million sq. m., completing a countrywide footprint and thereby maintained its position as the largest property management service operator in the world
- Colour Life ranked 6<sup>th</sup> among China Top 100 Property Service Companies with highest satisfaction by the China Index Academy in 2016
- Established ecosystems in the second listing anniversary (ongoing deepening of "E-series"), persistently nurture a concept that puts residential communities in the top priority

## Achieve Mutually Beneficial Compound Growth

- The Group's smart community platform "Caizhiyun 3.3 version" was officially launched on 30 June 2016. Based on the original community service platform, this 3.3 version has accomplished a comprehensive upgrade that brings most products online, presents "Colour Life Property" projects better, establishes micro business communities construction and enhances functionalities of Colour Wealth Life. Meanwhile, Colour Life's community ecosystem achieved an expansion in capacity, optimizing service in terms of customization, personalization and online and offline integration
- Colour Life has launched ecosystem projects. Further to maintaining good property management service, Colour Life will fully integrate online and offline resources by utilizing internet and modern technology, to enhance the quality of community products. Colour Life will continuously enrich the O2O community service ecosystem, and prosper the community culture and economy, to become a new benchmark for smart communities in China

## Core Values Attracted Top Talents

- In 2015, industry talents including former top management from Cisco, Alibaba and Haidilao joined Colour Life
- The inclusion of cross-industry talents not only brings into Colour Life's team valuable experiences and resources, but also stimulates creative thinking among team members, contributing to the Group's competitiveness and ongoing industry leadership in the Internet era

## Reputation accentuated Lateral Expansion

- In Feb 2015, Colour Life completed a strategic acquisition, which enabled the Group and Kaiyuan International to strengthen essential community services
- Kaiyuan International is one of the established property management companies in the industry. It is also the first to adopt operation model of "oriental housekeeper" and "home secretary"
- Currently, Kaiyuan International has covered more 150 projects in 10 cities in China, including Shenzhen, Beijing and Shanghai, with the focus on high-end residential property management services

# Home E&E: Included in the “innovation firms” category in NEEQ, Established New Platforms for Community Expansion



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## NEEQ Listing

- On 9 Dec 2015, Home E&E officially listed its shares on the NEEQ under the stock code: 834669, making it the first listed company in the business of short-term rentals and resort property operation
- Home E&E will tap opportunities to accelerate the integration of a online-to-offline resort reservation sharing system backed by its existing business management and operating services. It will also speed up project expansions and network construction in order to develop a project network covering major resort areas in the country

## Warmly received by the Capital Market

- As a pioneer in this industry in the capital market, Home E&E naturally attracts market attention. After listing, Home E&E initiated its first top-up placing, and raised RMB205 million
- Home E&E has entered into 35 cities across China with establishment of 45 subsidiaries, forming a strategic countrywide footprint that covers the core regions by end-2016
- In June 2016, Home E&E was included in the “innovation firms” category in NEEQ, with its high profitability based on high quality property management service and innovative business model

## Online and Offline Expansion

- Home E&E is currently expanding in both online and offline directions. It has been positioned as a worldwide resort exchange platform which targets at end-customers, catering to needs for short-term rentals of families, business travelers and couples. It provides a wide-range of tourism services, and functions such as interactive community, bonus points and exchange programmes, to realise in-depth travelling experiences via apartment booking and sharing
- In offline areas, the network of Home E&E's tourism businesses covers core districts including south, east, and southwest China, which include 10 cities like Shenzhen, Guangzhou, Huizhou, Zhengzhou, Jiaying, Chengdu, Dali, Lijiang and Haikou. The number of tourism projects is expected to rise rapidly in 2016
- In 1H2016, the Group continued to expand via various capital methods, and successfully acquired Wanda property, which is the largest acquisition in terms of size and amount in China's property management sector, thereby increased the area under management and opportunity to serve more property owners.

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**Home E&E undertook some commercial property and high-end apartment projects from Wanda Property, representing the recognition of the Group's community service concept and service capacity, setting to bring significant growth to Home E&E**

# Contracted Sales Overview

- ✓ Contracted sales for 1H2016 reached RMB4.81 billion, up by 18.9% y-o-y
- ✓ Aggregate sold GFA for 1H2016 reached 448,271 sq.m.

	Amount		GFA	
	(RMB million)	%	(sq.m.)	%
Chengdu-Chongqing Economic Zone	691.6	14.4	87,030	19.4
The Pearl River Delta	2,310.2	48.0	173,206	38.7
The Yangtze River Delta region	708.6	14.7	69,609	15.5
Beijing-Tianjin Metropolitan Area	285.4	5.9	18,487	4.1
Central China	675.0	14.0	98,655	22.0
Overseas	140.0	2.9	1,284	0.3
<b>Total</b>	<b>4,810.8</b>	<b>100.0</b>	<b>448,271</b>	<b>100.0</b>

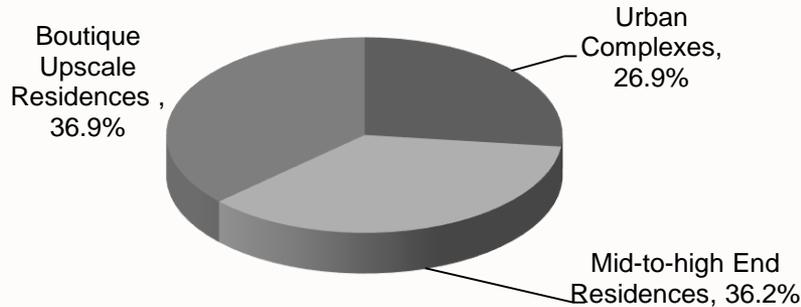
# More Diversified Revenue



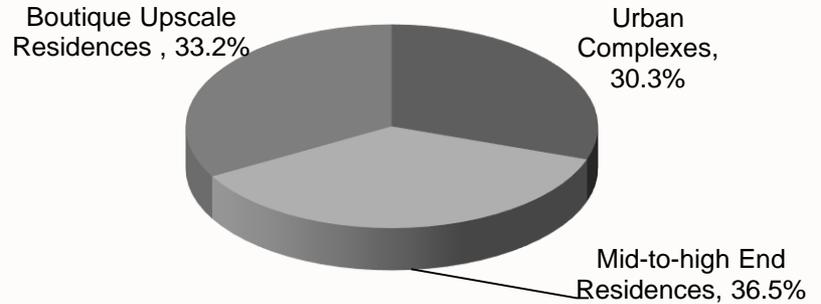
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## Contracted Sales Revenue Breakdown (by GFA) -- by Product Types

1H2015

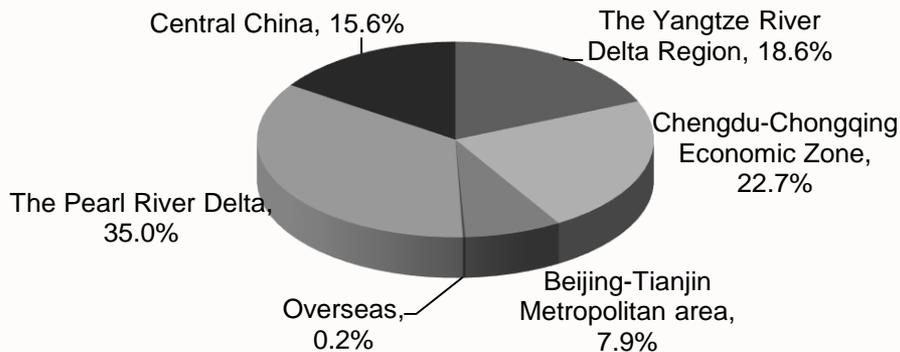


1H2016

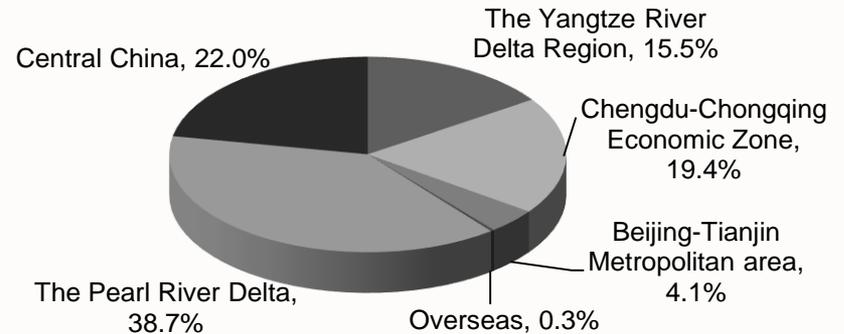


## Contracted Sales Revenue Breakdown (by GFA) -- by Region

1H2015



1H2016



# High Quality Land Bank

- ✓ During the reporting period, the Group continued to adhere to its prudent investment strategy and development direction of acquiring land in first-tier cities, e.g., Beijing, Shanghai and Shenzhen, which enjoy strong market potential and are capable of delivering prosperous return
- ✓ As at 30 June 2016, the Group's land bank aggregated approximately 16.77 million sq.m. in planned GFA, including planned GFA of properties with framework agreements signed aggregated 9.95 million sq.m.. Total land bank in first-tier cities<sup>(1)</sup> accounted for 43.2% of the total

City Type	GFA (sq.m.)	%
<b>First-tier cities</b>	7,250,566	43.2
Second-tier cities	7,810,195	46.6
Third-tier cities	1,709,041	10.2
<b>Total</b>	<b>16,769,802</b>	<b>100%</b>

Central China		
City	GFA (sq.m.)	%
<b>Wuhan</b>	<b>831,318</b>	<b>5.0</b>

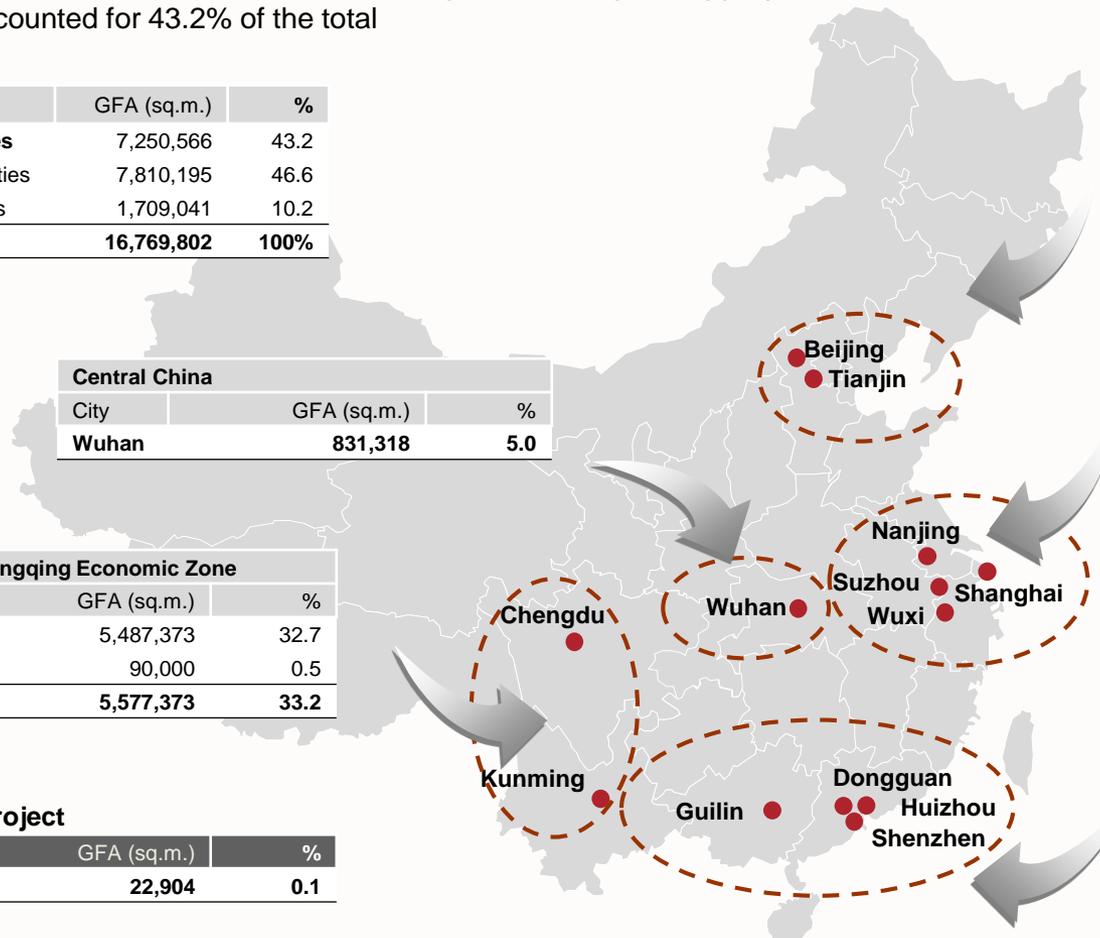
Chengdu-Chongqing Economic Zone		
City	GFA (sq.m.)	%
Chengdu	5,487,373	32.7
Kunming	90,000	0.5
<b>Subtotal</b>	<b>5,577,373</b>	<b>33.2</b>

Overseas Project		
City	GFA (sq.m.)	%
<b>Singapore</b>	<b>22,904</b>	<b>0.1</b>

Beijing-Tianjin Metropolitan Area		
City	GFA (sq.m.)	%
Beijing	268,174	1.6
Tianjin	646,091	3.9
<b>Subtotal</b>	<b>914,265</b>	<b>5.5</b>

The Yangtze River Delta		
City	GFA (sq.m.)	%
Suzhou	431,322	2.6
Wuxi	4,404	0.03
Shanghai	4,391	0.03
Nanjing	319,686	1.9
<b>Subtotal</b>	<b>759,803</b>	<b>4.5</b>

The Pearl River Delta		
City	GFA (sq.m.)	%
Shenzhen	3,446,559	20.6
Huizhou	3,508,538	20.9
Guilin	1,709,041	10.2
<b>Subtotal</b>	<b>8,664,138</b>	<b>51.7</b>



(1) First-tier cities including Beijing, Shanghai, Great Shenzhen (including Huizhou projects) and Singapore.

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# Key Financial Highlights

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## Profitability

Gross profit  
**RMB1,480 million,**  
**Y-o-Y up 27.5%**

Net profit  
**RMB331 million,**  
**Y-o-Y up 18.4%**

Net profit attributable to Shareholders  
**RMB266 million,**  
**Y-o-Y up 28.1%**

## Financial position

Cash on hand  
**RMB5.46 billion**

Net gearing<sup>(1)</sup>  
**78.06%**

## Financing activities in 1H2016

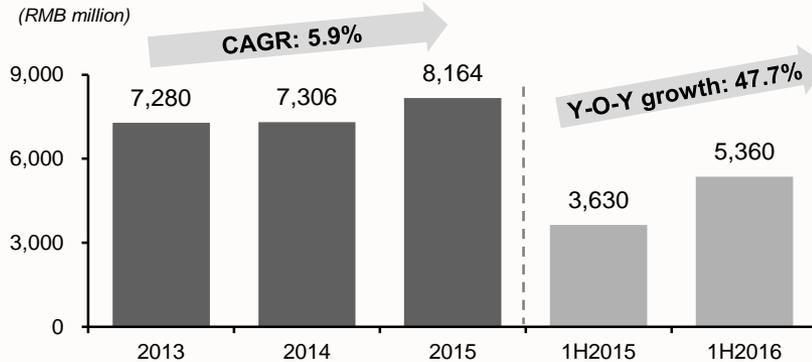
- In January 2016, completed a RMB1.1 billion 5-year domestic corporate bond issue at 7.29% coupon
- In May 2016, completed a RMB600 million 3-year offshore senior note issue at 9.50% coupon
- In May 2016, completed a RMB500 million 3-year domestic non-public bond issue at 7.50% coupon

(1) The calculation is (total interest bearing liabilities - total cash and bank deposits including restricted deposits) / Total Equity

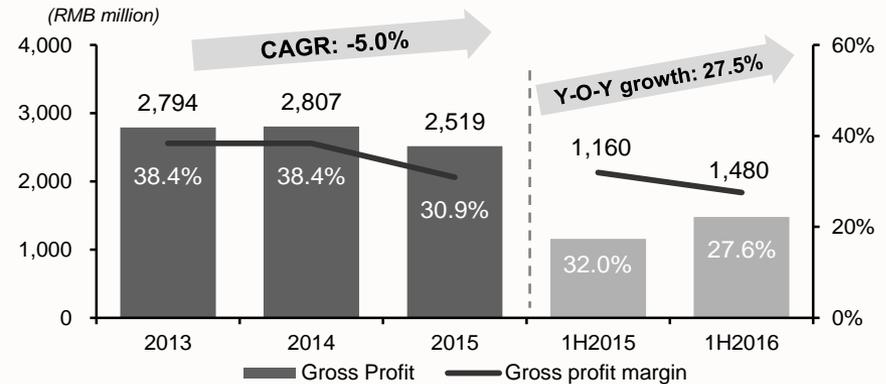
# Steady Track Record of Financial



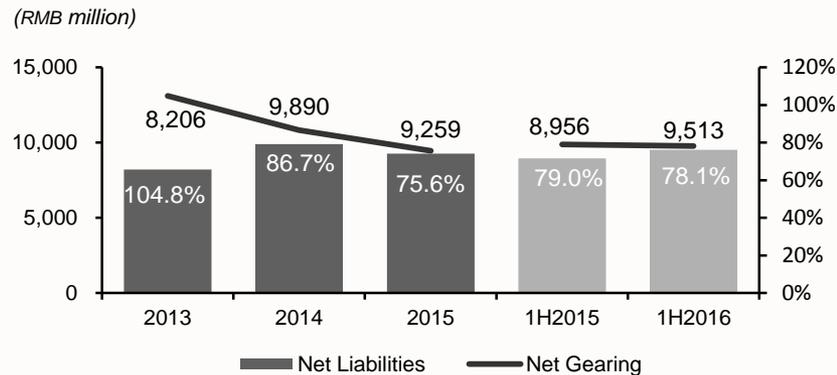
## Revenue<sup>(1)</sup>



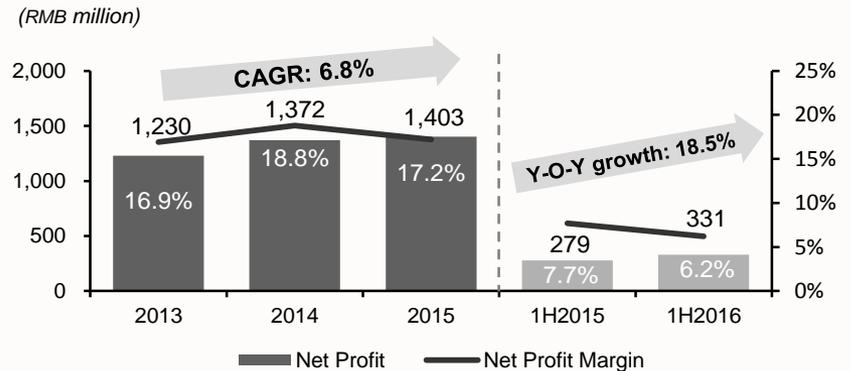
## Gross Profit and Gross Margin



## Net Liabilities and Net Gearing



## Net Profit and Net Profit Margin



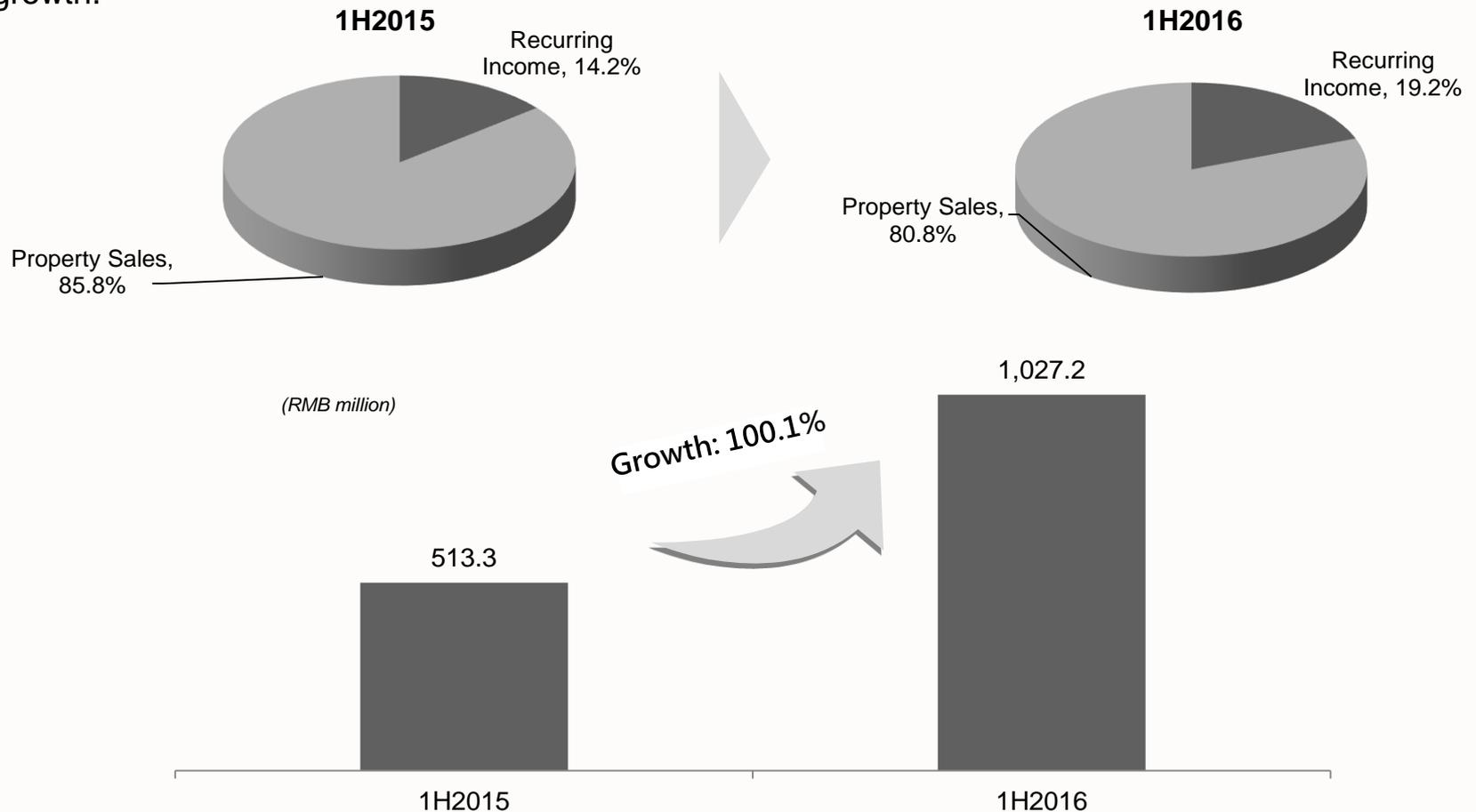
(1) Excluding gains from disposal of bulk property assets

# Persistent Enhancement of Property Services and Business Operating Capability



## Recurring Revenue from Rental Income, Hotels and Community Services

In 1H2016, our other businesses such as property operation and hotel services achieved sustainable growth.

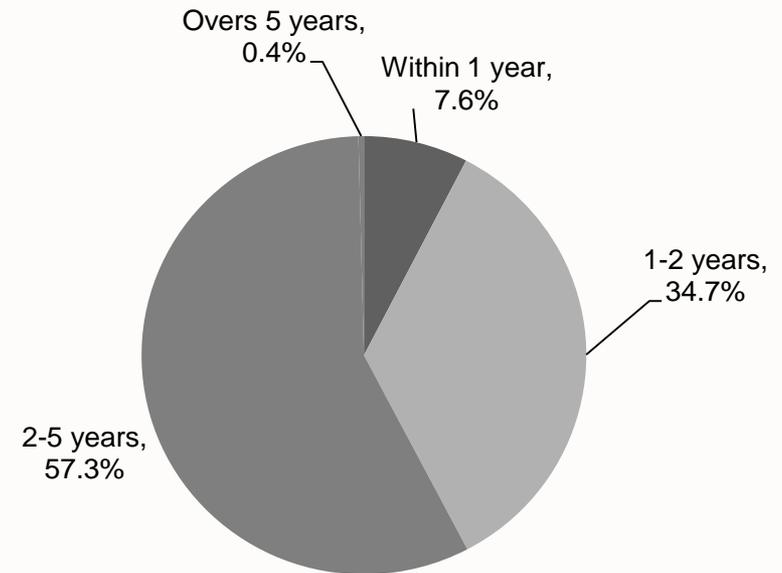


# Capital Structure and Debt Position

## Capital Structure as of 30 June 2016

RMB million	Actual amount	% of total capital
Cash and cash equivalent (1)	5,460	
Borrowings due within 1 year	1,130	
Borrowings with maturity beyond 1 year	2,863	
Senior notes(2) and corporate bonds	10,980	
Total long-term debts	13,843	53.18
Total debts	14,973	57.52
Total equity	12,186	46.82
Total capital(3)	26,029	

## Debts by Maturity



The net gearing of 1H2016 is 78.1%, decreased by 8.4 pts compared to that of end-2015. (The net gearing was 86.5% by end-2015 if the RMB710 million perpetual bonds issued last year were reclassified as debt). Our financial position remains robust with an appropriate debt profile

(1) Cash and cash equivalents included restricted bank deposits of RMB1.38 billion

(2) Senior notes refer to 2012 senior notes, 2013 January senior notes, 2014 senior notes, 2015 senior notes and 2016 senior notes

(3) Total capital include total long-term borrowings and total equity

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# Fantasia is about to Step Into the Second Stage of its Five-Year Strategic Transformation to Become a Financial Holding Group



## “Two-step” Strategy:

To build an organic ecosystem by integrating internal and external resources and to transformed from rigid to flexible, from asset-heavy to asset-light business model during eight years from 2012 to 2020.

While building, adjusting and facilitating its business structure, the Group will achieve gradual transformation of its business system and model to eventually evolve into a financial holding group focusing on living spaces and experiences through strategic partnerships, mergers and acquisitions.

**The second stage – a period of comprehensive expansion and rapid growth(2016-2020)**

**The first stage of “Two-step” strategic transformation (2012-2015)**

**Early stage of development: traditional community manufacturer**

- ✓ By establishing financial service engine as well as improving and building the two service platform of Colour Life and Home E&E to complete the strategic transformation of property and commercial business to foster and build unique cultural tourism, senior citizen services and education business model of Fantasia.
- ✓ The Group has completed the establishment of the two service platforms and the strategic transformation of development model. It has already established a co-existing, interdependent and sustainable community business ecosystem.

- ✓ By 2020, a community service/financial organic ecosystem will be formed through integrating resources from internal and outside
- ✓ To build, adjust and refine business structure, as well as to promote a platform that incubates self-started businesses and improve and cultivate “Community+” industries
- ✓ Through strategic cooperation and M&As to achieve the Group’s business system transformation, helping Fantasia become a financial holding group focuses on living spaces and experiences.



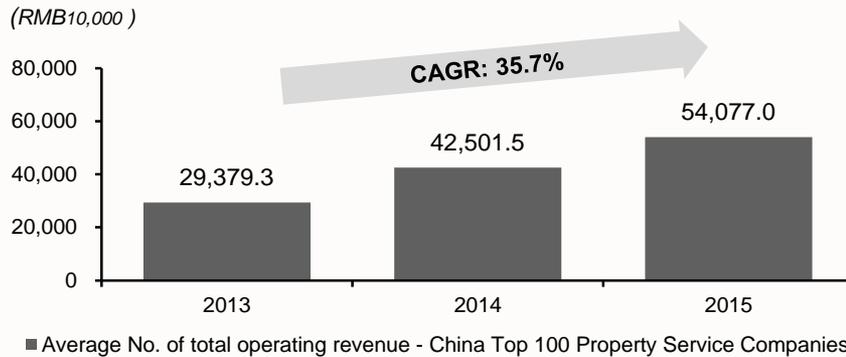
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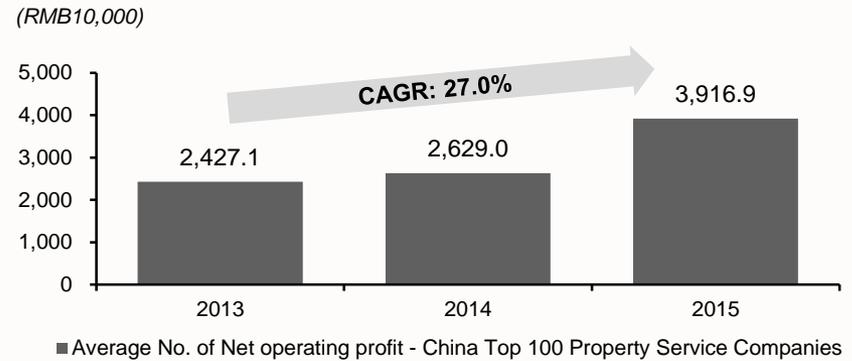
# Enormous business opportunities of Chinese property management industry with positive outlook



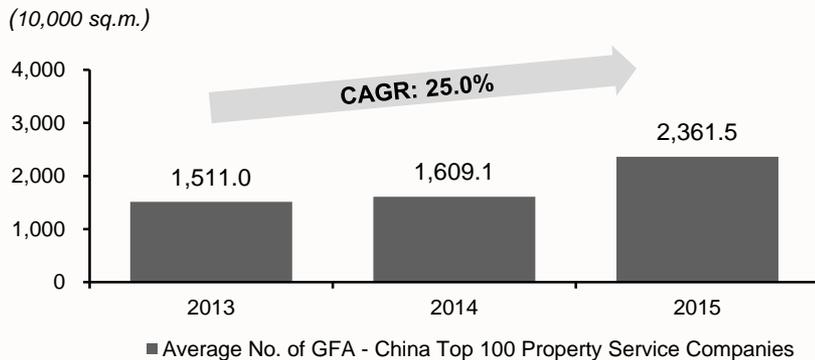
## Operating Revenues from Property Service Enterprises Continued to Grow



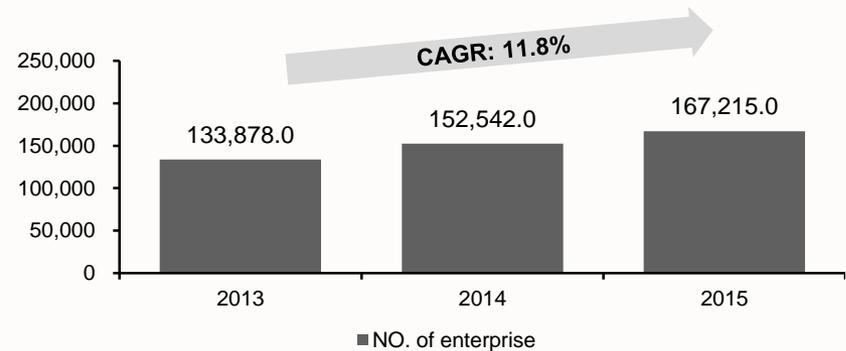
## Property Company Had a Positive Outlook in Profits



## GFA under Management Expands

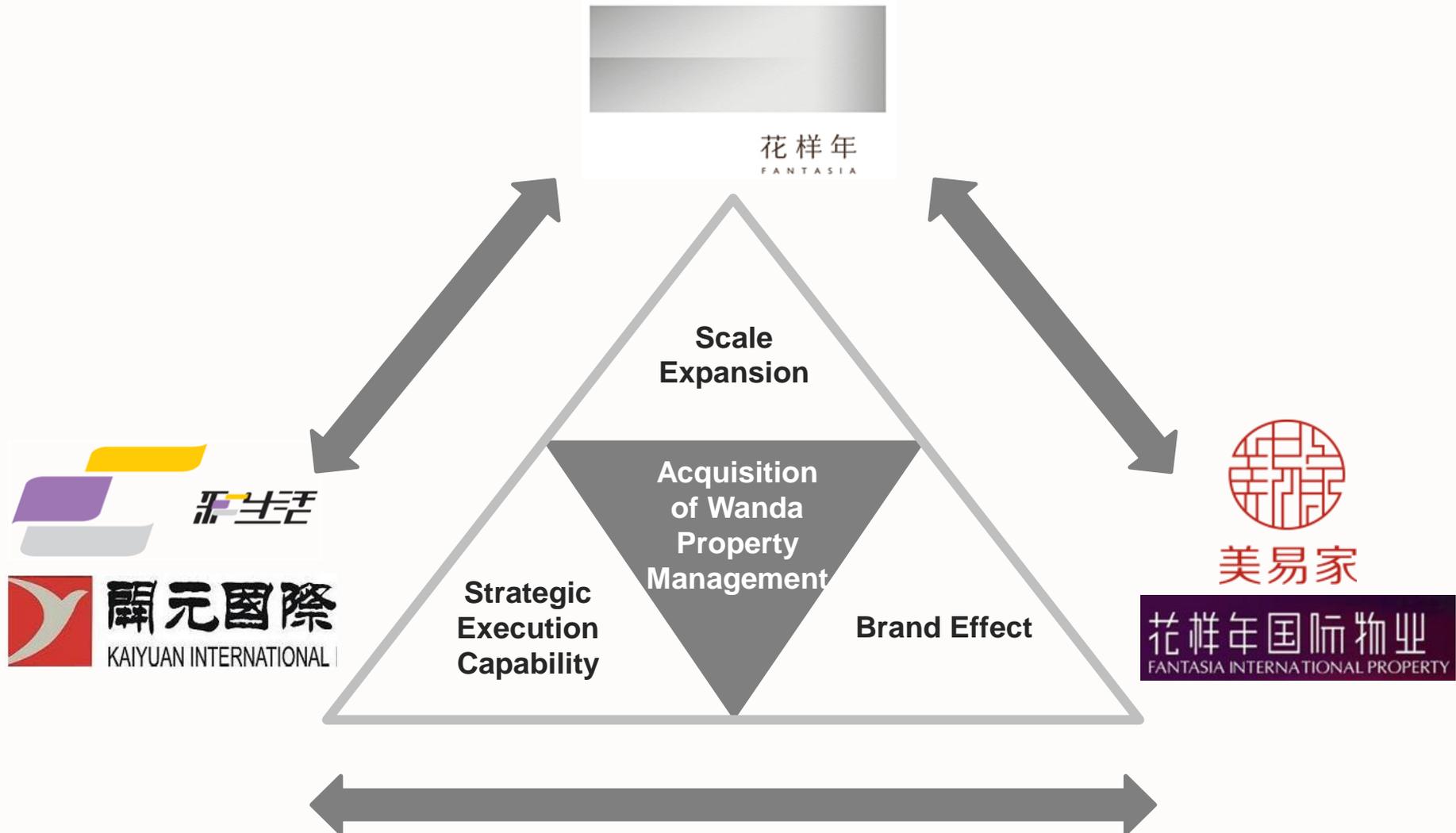


## Newcomers into Property Service Industry Increased



Source : China Index Academy and Jusfoun Big Data

# Acquisition of Wanda Property Management – A combination of self-owned brand + external assets industry and finance



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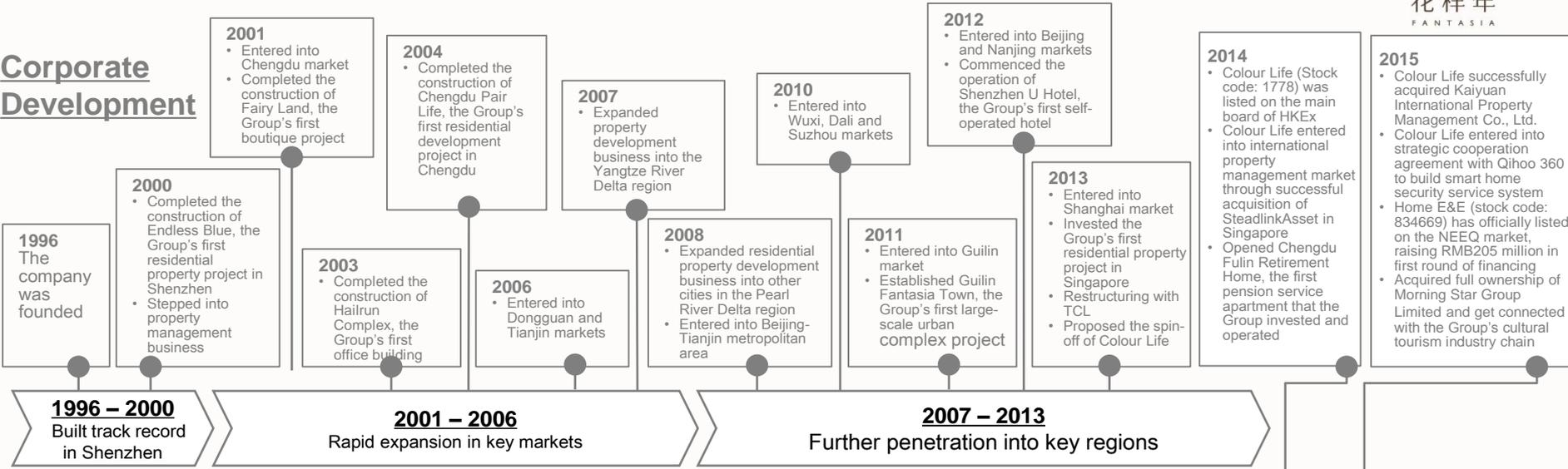
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# Appendix 1: Key Milestones

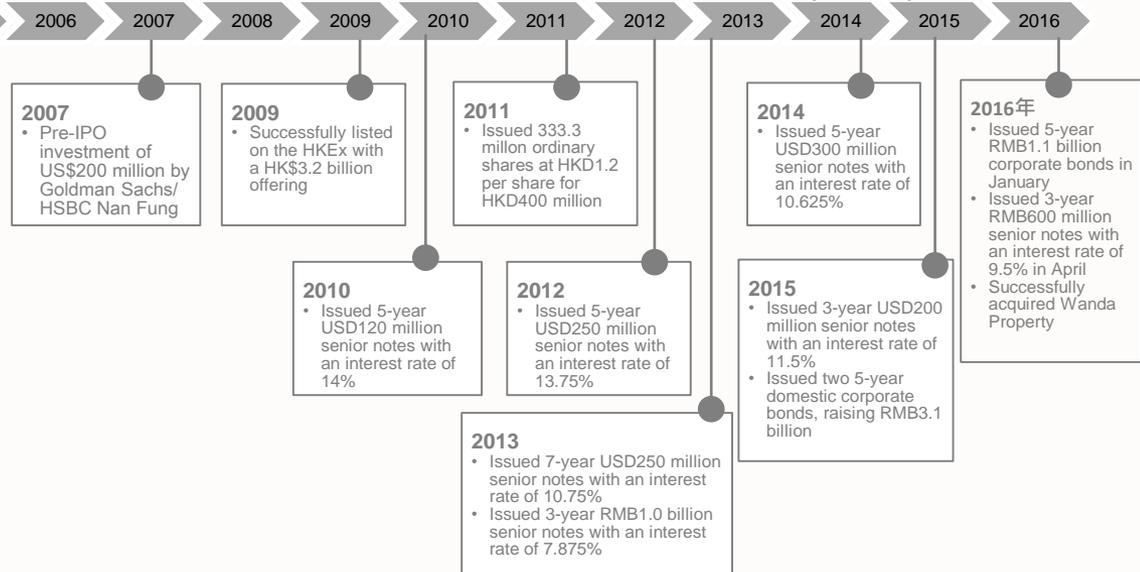


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## Corporate Development



## Capital Market Development



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# Appendix 2: High Quality Land Bank

## Land Bank Under Development

City	Project	GFA (sq.m.)	Land Use
<b>Shenzhen</b>			
	Lenian Plaza	127,123	Industrial Plant & Car Park
<b>Huizhou</b>			
	Huizhou TCL Kangchengsiji	146,318	Residential & Commercial
	Building 15# of Phase 2 of Kangchengsiji	22,966	Residential & Commercial
	Phase 3 of Kangchengsiji	200,163	Residential & Commercial
<b>Guilin</b>			
	B Block, North Coast of Guilin Lakeside Eden (excluding Building1&8#)	190,970	Residential & Commercial
	Block C2 of Guilin Lakeside Eden Community (excluding Building 3#)	89,060	Residential & Commercial
	Remaining Ancillary facilities of Block D of Guilin Lakeside Spring Dawn	17,326	Residential & Commercial
	Block E of Guilin Lakeside Spring Dawn	93,009	Residential & Commercial
<b>Chengdu</b>			
	Phase 2 of Meinian International Plaza	482,759	Residential, Commercial & Educational
	Phase 1.2 and 1.3 of Longnian International Center	74,776	Residential & Commercial
	Phase 2.2 of Longnian International Center	171,234	Residential & Commercial
	Phase 3 of Grande Valley	42,640	Residential
	Land Plot 3# of Longnian Center of Pi County	141,504	Residential & Commercial
	Grande Valley 12-1	3,497	Residential & Commercial
<b>Tianjin</b>			
	Ancillary facilities of Phase 1.3 of Love Forever	2,679	Residential
	Phase 1 of Huaxiang	16,479	Residential
	Phase 5 of Love Forever	45,336	Residential
	Meinian International Plaza	99,803	Offices
<b>Suzhou</b>			
	Lago Paradise Land Plot 3#	10,700	Residential
	Suzhou Hailrun Plaza	255,868	Residential & Commercial
<b>Nanjing</b>			
	Hailrun Plaza	319,686	Commercial
<b>Wuhan</b>			
	Phase 3 of Love Forever	68,458	Residential & Commercial
	Phase 2 of Wuhan Fantasia Town	186,860	Residential
<b>Singapore</b>			
	Love Forever	22,904	Residential & Commercial
<b>Total</b>		<b>2,836,510</b>	

# High Quality Land Bank (Cont'd)



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## Land Bank Held for Future Development

City	Project	GFA (sq.m.)	Land Use
<b>Shenzhen</b>			
	Xinghua Industrial Project	40,000	Commercial & Financial
	Jiatianxia Project	251,018	Residential & Commercial
<b>Huizhou</b>			
	Remaining phases of Kangchengsiji	164,095	Residential & Commercial
	Qiuchang Project	184,996	Residential
<b>Suzhou</b>			
	Land Plot Haoge	108,500	Residential & Commercial
<b>Wuxi</b>			
	Remaining phases of Wuxi Love Forever	4,404	Residential & Commercial
<b>Guilin</b>			
	Remaining phases of Lakeside Eden	1,318,676	Residential & Commercial
<b>Chengdu</b>			
	Remaining phases of Belle Epoque	397,204	Residential, Commercial and Ancillary
	Remaining phases of Grande Valley	684,448	Residential & Commercial
	Phase 2.3 of Chengdu Longnian International Center	82,630	Residential & Commercial
<b>Beijing</b>			
	Yaxinke Project	268,174	Commercial, Office & Carpark
<b>Tianjin</b>			
	Remaining phases of Love Forever	52,755	Residential
	Remaining phases of Huaxiang	260,700	Residential
	Yingcheng Lake Project	168,339	Residential, Commercial & Tourism
<b>Total</b>		<b>3,985,939</b>	

# Strategic Project Planning and Execution

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## 1H2016 Newly Commenced Projects

Region	Project	GFA (sq.m.)	Land Use
Yangtze River Delta region	Phase 2 of Nanjing Hailrun Plaza	3,429	Commercial
	Shanghai Aidu Apartment	4,391	Commercial
Chengdu-Chongqing economic zone	Phase 3 of Grande Valley	42,640	Residential
Pearl River Delta	Phase 4 of Huizhou Kangchengsiji	146,318	Residential & Commercial
<b>Total</b>		<b>196,779</b>	

## 1H2016 Completed Projects

Region	Project	GFA (sq.m.)
Yangtze River Delta region	West Residential Block of Suzhou Hailrun Complex	74,721
	Suzhou Lago Paradise Land Plot 4#	19,693
Pearl River Delta	Building 8# of Phase 1 of Huizhou Kangchengsiji	38,882
	Building 1# & 2# of Phase 1 of Huizhou Kangchengsiji	31,842
	Building 16# of Phase 2 of Huizhou Kangchengsiji	17,173
	Shenzhen Phase 2 of Able	85,428
	Building 1# of E1 Block, North Coast of Guilin Lakeside Eden	26,700
Pearl River Delta	Guangzhou Wonderland Kindergarten	4,270
	Building 1# & 8# of B Block, North Coast of Guilin Lakeside Eden	52,240
	Building 3# of Block C of Guilin Lakeside Eden	60,610
	Building 21-24# of Phase 3 of Guilin Fantasia Town	72,345
<b>Total</b>		<b>483,904</b>



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# Fantasia Creates Value

Please contact our IR team (Christy Zheng, [zhengjy@cnfantasia.com](mailto:zhengjy@cnfantasia.com)) for further information or visit [www.cnfantasia.com](http://www.cnfantasia.com)