

【For Immediate Release】



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FANTASIA

Fantasia Announces 2018 Interim Results

Revenue increased by over 40% year on year

Contracted sales increased by 123.8% year on year

Business of asset-light model contributed to over 50% of total revenue for the first time

Developing itself into an industrial and financial group that runs comprehensive community-based businesses with equal emphasis on asset-light and asset-heavy models

Financial and operation highlights:

Steady improvement in operating results

- The Group's revenue for the first six months ended 30 June 2018 (the "Period") increased by 42.8% year on year (YoY) to approximately RMB5,196 million, compared with approximately RMB3,637 million for the corresponding period in 2017.
- The Group's profit for the Period increased by 15% YoY to approximately RMB180 million, compared with RMB156 million the corresponding period in 2017.

Leading the industry in contracted sales growth; having a high-quality land bank to ensure future growth

- The Group's contracted sales for the Period increased by approximately 123.8% YoY to approximately RMB11.307 billion with the average selling price ("ASP") rose by 23.2% YoY. The Group is confident that it will be able to achieve the annual sales target of RMB30 billion
- Construction of property projects with total gross floor area ("GFA") of 2.29 million square metres ("sq.m.") started in the first half of the year. Nearly 5 million sq.m. in GFA of properties were under construction. All such property projects are scheduled to be completed in 2019 and 2020.
- As at 30 June 2018, the Group had land bank with a total site area of 22,000,000 sq.m, and total saleable resources with market value of over RMB300 billion. The land bank is sufficient for the Group's business development in the next three years. Included in the land bank is a combined site area of over 2.1 million sq.m. and market value of more than RMB100 billion for 7 urban renewable projects in Shenzhen.

Business with asset-light model accounted for over 50% of the revenue for the first time; the Group is developing itself into an industrial and financial group with equal emphasis on asset-light and asset-heavy models

- Recurring revenues from rental, hotel operations and community-based services increased by 68.6% YoY to approximately RMB2.63 billion, accounting for over 50% of the total revenue for the first time.
- Total area of properties managed by Colour Life under contracts increased by 63.8 million sq.m. YoY to 484.0 million sq.m. and the total the number of communities serviced by Colour Life increased by 220 YoY to 2,555. The area of properties serviced by Colour Life's online platform reached 981.4 million sq.m.
- The consolidation of Wanxiangmei's results into the Group's financial statement manifested the effect of online platform as the acquisition of Wanxiangmei added 36.8 million sq.m. of properties managed by the Group. This also fully indicated Colour Life's competitiveness and

brand awareness.

Sufficient cash flow; stable capital structure and debt level

- Over US\$1 billion of fund raised by the Group in the first half of 2018
- As at 30 June 2018, the Group's bank balances and total cash was approximately RMB22,610 million (As at 31 December 2017: approximately RMB16,442 million), reflecting a sufficient cash flow on hand.
- The net gearing ratio was 82.9%, indicating a healthy financial position and appropriate debt arrangement.

(22 August 2018, 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-based service platform operator in China, today announced its unaudited interim results for the six months ended 30 June 2018 (the "Period").

During the Period, the Group's contracted sales increased by 123.8% YoY to RMB11,307.33 million. The Group sold 1,165,185 sq.m. of properties under contracts. Revenue increased by 42.8% YoY to approximately RMB5,196 million, compared with the approximately RMB3,637 million for the corresponding period in 2017. Profit for the Period increased by 15% YoY to approximately RMB180 million, compared with the approximately RMB156 million in the corresponding period of 2017. Gross profit increased by 18.8% year on year to approximately RMB1,318 million for the Period, from the approximately RMB1,109 million for the corresponding period in 2017. Gross profit margin was maintained at a normal level of 25.4%. Basic earnings per share were 1.78 RMB cents (the corresponding period in 2017: 1.41 RMB cents, increased by 26.2% YoY).

The Group continued with its financially prudent approach to development. As at 30 June 2018, the Group's bank balances and total cash was approximately RMB22,610 million representing an increase of approximately 37.5% from RMB16,442 million as at 31 December 2017. This means the Group is well-positioned to grasp opportunities for mergers and acquisitions in the second half of the year and next year. Meanwhile, the net gearing ratio remained at 82.9%, reflecting the Group's financially prudent approach to business.

Contracted sales surged by 123.8% year on year; High-quality land bank ensures future growth

During the Period, the Group's 27 projects in 15 Chinese cities mainly contributed to its contracted sales. Such cities included Chengdu, Shenzhen, Wuhan, Tianjin, Guilin, Huizhou and Nanjing. Of the Group's total contracted sales, 7.00% was derived from its urban complex projects, and 83.55% was derived from upscale boutique residential projects. Major property markets such as those in Chengdu-Chongqing Economic Zone, Pearl River Delta Region, Central China Region, Yangtze River Delta region and Beijing-Tianjin Metropolitan area contributed to 53.04%, 18.10%, 14.92%, 8.16% and 5.78% respectively of the total contracted sales.

Construction of the Group's property projects with total gross floor area ("GFA") of 2.29 million square metres ("sq.m.") started in the first half of the year. Projects with total planned GFA of nearly 5 million sq.m. were under construction during the Period. All such property projects are scheduled to be completed in 2019 and 2020. During the Period, the Group continued to adhere to its prudent investment strategy and continued to acquire lands in first-tier cities such as Beijing, Shanghai, Shenzhen, Wuhan and Chengdu where the property markets have huge potential for growth and are capable of yielding good returns. As of June 30, 2018, the Group had land bank with a total site area of 22,000,000 sq.m. and total saleable resources with market value of over RMB300 billion. The land bank is sufficient for the Group's business development in the next three years. Included in the land bank is a combined site area of over 2.1 million sq.m. and of market value of more than RMB100 billion for seven urban renewable projects in Shenzhen.

Colour Life consolidates its leading position by successfully acquiring and upgrading Wanxiangmei; Value-added service contributed to 35.8% of the profit

During the Period, **Colour Life** (HKEx stock code: 1778), a subsidiary of Fantasia, continued to expand its business through a mode of operation that comprised discretionary authorisation by business partners plus cooperation through online platform. The move resulted in consistently rapid growth in the area of properties serviced by Colour Life's online platform. As at 30 June 2018, the total area of properties managed by Colour Life under contracts increased by 63.8 million sq.m. YoY to 484.0 million sq.m. and the total the number of communities serviced by Colour Life increased by 220 YoY to 2,555 communities. In addition to the acquisition of Wanxiangmei that added 36.8 million sq.m. of properties managed by the Group, most of the other communities were added to the Colour Life's customer base that subscribed to its property management service under contracts through discretionary authorisation by its business partners. This fully indicated Colour Life's competitiveness and brand awareness. Existing projects managed by Colour Life are located in 249 Chinese cities (including Hong Kong) and Singapore.

Meanwhile, Colour Life established connections with excellent business partners in the property management industry through cooperation in online platform and exported its underlying technology of to help them explore new sources of income from value-added services without sharing in their existing profits from their basic property management services. Since it launched the mode of operation which is cooperation through its online platform, Colour Life has met with enthusiastic responses from other property management firms as its business partners. As at 30 June 2018, Colour Life had a total cooperation area of 497.4 million sq.m. The area of properties serviced by Colour Life's online platform reached 981.4 million sq.m. With continuous expansion in service scale of the platform, as at 30 June 2018, the number of registered users of Caizhiyun (彩之雲) increased by 252.1% YoY to more than 14.5 million, of which 3.8 million were active users, up by 56.0% YoY. During the Period, Caizhiyun's value-added business generated income of RMB212.3 million, up by 91.7% YoY. The operation also recorded a gross profit margin of 71.8% and contributed to 35.8% of Colour Life's segment profit.

On 31 March 2018, the Group launched a new product called "Colour Benefit Life (彩惠人生)" so as to grasp the business opportunity that arose from the property management fee payment by applying the new retail model in the communities. As at 30 June 2018, the cumulative number of transactions at "Colour Benefit Life" (「彩惠人生」) was 325,400 and the cumulative gross merchandise value was RMB28,646,900. The amount of property management fees that was offset totalled RMB12,811,200, and 44,026 families enjoyed reduction in or exemption from property management fees.

Home E&E carried out transnational cooperation and made its debut on the international market

As at 30 June 2018, the Group's subsidiary **Home E&E** has a total of 24 million sq.m. of properties under its management and the total chargeable area was 5.16 million sq.m. Home E&E has also reached a strategic partnership with China Thailand Band Enterprise Management Company Limited (CTB) to manage properties of a total area of 2.8 million sq.m. Home E&E's first transnational cooperation with a business partner from Thailand is of significance to the company because it marked Home E&E's debut on the international market. The cooperation can pave way for the further expansion of Home E&E's business into the rest of the global market.

The Group is developing itself into an industrial and financial group that runs comprehensive community-based businesses with equal emphasis on asset-light and asset-heavy models

In the first half of 2018, apart from the real-estate and property management business, the group has been developing itself into an industrial and financial group that runs comprehensive community-based businesses which are driven by two "locomotives" in the form of fixed assets and service businesses with asset-light model. Other businesses, including the Financial Group, Business Management Group, Cultural and Tourism Group, Shenzhen Futainian Investment Management Co., Ltd., Shenzhen Qianhai Jianian Investment Fund Management Co., Ltd., Trading Company were performing well, meeting the management's expectations.

Community finance is an important driving force and one of the core businesses under the Group's "Community Plus" strategy. In the first half of 2018, the Group successfully launched services such as "Caifubao" and "Zhong An Xin". In the future, the Community Financial Group will continue to build on its innovative online-to-offline ("O2O") community financial service platform and provide customers with innovative, convenient, comprehensive financial services. It strives to become wealth management agency that serves community households with the human touch.

Upholding the business philosophy of "steady expansion from a small niche", in 2018, **Fantasia Business Management (FBM)**, a wholly owned subsidiary of the Group, 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, Yunnan and Guizhou. Nanjing Hailrun OMG Mall, which is a project developed and operated by FBM, had an occupancy rate of over 94% and recorded a total income of nearly RMB15 million in the first half of 2018. Guilin OMG Mall, with an occupancy rate of over 85%, recorded a total income of over RMB57.2 million for the first half of 2018, and it is committed to becoming a flagship shopping mall in Lingui New District or even in Guilin City. "Fantasia World Outlets" in Pi County, Chengdu recorded a total income of over RMB54.1 million in the first half of 2018

For the **Cultural and Tourism Group**, FuNian Jet Aviation won the CCAR-145 maintenance permits and CCAR-135 operation certificates issued by Central and Southern Region Administration, and duly commenced the operation of escrow and charter business officially. By relying on the resources of its own business, it focused on a culture and tourism (aviation) town and developed its businesses of aviation, education and grand health in alliance with aviation tourism firms and travel agencies. This will enable Cultural and Tourism Group to build a flagship tourist town that integrates culture, tourism and aviation with Fantasia's characteristics.

Summary

Mr. Pan Jun, Chairman of Fantasia, said, "In the second half of the year, developments of different provincial and municipal property markets will become more divergent and the consolidation of the property sector will accelerate. Municipal governments will continue with city-specific policies on property market regulation. Fantasia will keep abreast of the market trends, and forge ahead with its "Community+" strategy, with equal emphasis on real estate development and community-based services. Under this strategy, the Group will build intelligent communities to promote smart life. This will enrich the community-based services, thus contributing to a better future of the communities and generating better returns to 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 strategic plan for business development 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 a 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 making good progress with its international business expansion plan and has established branches in Hong Kong, Taipei, Singapore and Tokyo. It has invested in property development projects in Singapore, the United States of America and Taiwan.

It is committed to providing a joyful, colourful and meaningful living space and experience as a leading industry participant 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

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