

## **Fantasia's contracted sales for the first four months increased by 23.1% y-o-y to RMB2.956 billion Colour Life Residential Projects landed in many cities nationwide**

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(9 May 2016 – 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) announces its sales performance for April 2016. Fantasia Property Group, a subsidiary of the Group, achieved contracted sales of approximately RMB8,930 million, up 22.5% year on year, with 88,115 sq.m. in aggregated gross floor area (“GFA”) sold. For the first 4 months ended at 30 April 2016, the Group achieved contracted sales of approximately RMB2.956 billion, up 23.1% year on year, with GFA approximately 245,156 sq.m. in aggregate sold.

Reaping benefits from the relatively relaxed monetary and credit policies, as well as initiatives promulgated by the Central Government to support residents’ housing needs, sales of properties in Mainland China continued to rise as market demand was unleashed rapidly in April 2016. According to China Index Academy, in April, the average price of newly completed developments in 100 cities nationwide was RMB11,467, up 1.45% month on month, among which, prices in 71 cities rose, 11 more than that in March.

Among those cities, Huizhou, Suzhou, Nanjing, Dongguan, Wuhan and other cities where Fantasia focuses led the rallies in house prices. The Group tapped this window of opportunity and launched more projects for sale on time, accelerated the speed of inventory clearance as well as collection of sales receipts. A number of city company projects achieved good performances, while project subsidiaries in Wuhan, Suzhou, Shenzhen and Singapore exceeded their sales targets for the month.

To meet market demand in home purchases and living improvement, Colour Life Services Group Co., Limited (“Colour Life”, HKEx stock code: 1778), a subsidiary of Fantasia, successfully have launched Colour Life Residence (「彩生活住宅」) in a number of cities in China since June 2015. Following signing of a cooperation agreement with Henan Xuchang Yihe Properties Limited (「河南許昌億合置業有限公司」) in February 2016, Colour Life entered into another strategic partnership with Jiangsu Xuzhou Guotai Real Estate Development Co., Ltd. (「江蘇徐州國泰房地產開發有限公司」) on Colour Life Residence projects in April 2016.

Colour Life Residence is an innovative product which brings together residences and services with 70 years of experience in delivering high quality services. It is a mutually beneficial model that combines property development and sales, as a result of integrating by Colour Life participants in community commerce including as property developers, financial institutions, retail tenants, and vertical application suppliers. Each owner of Colour Life Residence is entitled to a long-term consumer certification with a high credit limit that allows him to spend on Colour Cloud (「彩之雲」), JD.com and any shops from the commercial community circle within a one-kilometre radius. Mainstream consumption items including clothing, food, shelter, transportation, travel, indoor refurbishments, and motor vehicle are under coverage.

By end April 2016, Colour Life Residence has landed its foothold in approximately 20 cities in China, including Xuzhou, Huizhou, Wuxi, Fuzhou and Changsha. Thanks to its service offerings with discounts on multiple levels, high-end smart technologies, highly customizable settings and many other strengths, Colour Life Residence has become very popular among consumers, pushing the number of units to be launched for the year to the vicinity of 10,000 sets.

On 26 April 2016, Fantasia announced issuance of RMB6 million 9.5% senior notes due 2019. The estimated net proceeds from the notes issue, after deduction of underwriting discounts and commissions and other estimated expenses, will amount to approximately RMB586.2 million and the Company intends to apply the net proceeds to refinance certain of its existing indebtedness.

Bulk fund remittances are increasingly difficult due to the more extensive capital control efforts in Mainland China. The consolidated financing costs of enterprises in general rise gradually. Yet “dimsum” bond issuances in Hong Kong still presents a plenty of advantages. This round of CNY denominated senior notes by the Company is the best option with reference to a number of factors, including balancing its onshore and offshore debt structure, exchange rate fluctuations, onshore capital controls as well as consolidated financing cost. Prior to this round, the Company completed an issue of domestic corporate bonds amounting to RMB1.1 billion on 4 January 2016.

Currently, Fantasia enjoys smooth recycling of sales receipts and abundant cash flow, which will satisfy its needs for property development and transformation into a light-asset business model. Looking ahead, the Group will continue to explore and establish diversified financing channels, optimize onshore and offshore debt structure, reduce financing costs and improve financial resilience and capital usage efficiency.

The reform program to replace the business tax with a value-added tax has been fully implemented by Ministry of Finance and State Administration of Taxation from 1 May 2016. Sectors including construction, property development, financial and services are also included in the program. In order to better adapt to the policy adjustment, the Company has set up a special group to comprehensively rectify business processes and reform the information systems, implementing top-level strategic designs, business strategies, organizational structures, internal controls, etc., to further optimize its business model, reduce operating costs and improve profitability.

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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. 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 financial services, Colour Life Group, property development, commercial community services, cultural and tourism, commercial services, senior citizen services and education.

Currently, Fantasia is progressing with its international business expansion plan by setting up branches in Hong Kong, Taipei, Singapore and Tokyo as well as investing a property development project in Singapore, the United States and Taiwan. It commits to be the leader which provides a joyful, colourful and meaningful living space and experience and aims to deliver a 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/](http://www.cnfantasia.com/)

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