



Fantasia maintained steady contracted sales in July
Smart Community Ecosystem launched in Shanghai

(7 August 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) announces its sales performance for July 2017. Fantasia Property Group, a subsidiary of the Group, sold properties with an aggregate of 93,715 square metres (sq.m.) in gross floor area (“GFA”) and recorded contracted sales of RMB702 million in the month. From January to July 2017, Fantasia Property Group sold properties with an aggregate of 735,156 sq.m. in GFA. The accumulated contracted sales reached RMB5755 million. For the first seven months of the year, the Group completed 38.4% of its full-year contracted sales target of RMB15.0 billion.

Contracted sales in July remained robust in cities like Guilin, Chengdu and Nanjing. Contracted sales in Chengdu nearly doubled month on month as they were driven by the launch of Chengdu Xiangmendi project into the market. The contracted sales at Guilin Lakeside Garden and Nanjing Hailun Garden grew steadily. In the second half of the year, Fantasia will be more committed to fixed asset investment. For instance, it will actively participate in urban renewal projects, industrial area renewal projects and cooperation through equity participation, etc.

Since June, the first- and second-hand home prices in Beijing and Shanghai have been going down, while the growth of home prices in third- and fourth-tier cities continued to take the lead. Due to the tightening policies imposed on purchases, prices and mortgages, most developers have seen the growth rates of their businesses slow down in the year to date. As the volume of second-hand property transactions exceeds that of new flats, some people engaged in the property industry believe that the industry is entering a new phase of development which is marked by a shift of focus from the expansion of property development business to property operation. Moreover, the property firms are competing more in the quality of products and services than in scale of business. In the meantime, China’s urbanization has reached the second stage as the mass market is having more trade-up demand. In the property sector, sizeable property companies are still favoured by investors but they are also faced with problems which are becoming more pronounced, especially the problem of lagging behind in terms of the development of new generations of technologies and products.

Fantasia has been adopting and implementing an asset-light strategy since the 2012, which has already entered the second stage by now. During the annual results announcement in the beginning of 2017, Mr. Pan Jun, Chairman of the Group announced the commencement of the second five-year plan, which placed equal emphases on asset-heavy business model and asset-light business model. Fantasia aspires to become a financial holding group with community services as its highlight. It is developing a real estate business that can differentiate itself from the competition and is steadily increasing the proportion of operations with asset-light business model.

Building on a huge customer base in communities of its property projects, Colour Life Service Group Limited (01778.HK) (“Colour Life”) is “taking charge of property projects’ development through minority stakes” and developing Internet-enabled service platforms as channels for providing its expertise in property operation. The area of communities covered by the “Caizhiyun” platform has totalled 850 million sq.m. by now. It is expected that the proportion of revenues derived from the electronic services of the internet-enabled Caizhiyun platform will increase gradually. At the same time, the “Open Areas” of the communities covered by Fantasia’s O2O platform has been connected to the properties in estates. Through the integrated resources, the “Open Areas” of Fantasia’s O2O platform is able to provide services to the residents of the communities with precision. Presently, the “Open Areas” have been established in 40 cities where about 2,000 communities have signed contracts for such services, covering three million users in one million families living on gross floor area of over 100 million sq.m. The “Open Areas” of Fantasia’s O2O platform also raised financing in the first half of 2017.

On the other hand, Fantasia Property Group is gradually developing such diverse businesses as asset operation, joint operation of properties and other types of businesses, and joint development of property projects that encompass some aspects of the value chain of the property sector. Fantasia Property Group is endeavouring to become a leading smart community operator. It is now building smart communities with the human touch. Fantasia will launch the following representative smart communities in the second half of 2017, such as Shenzhen Jiatianxia Project (深圳家天下), Chengdu Jiatianxia (成都家天下), Chengdu Xiangmendi Project (成都香門第), Suzhou Xingfu Wanxiang Project (蘇州幸福萬象) etc.

Establish the operation system for smart communities

On 30 June in Shanghai, Colour Life held “Colour Life Smart Community Ecosystem - Launch in Shanghai and Colour Life Service Group’s 15th anniversary”. On that occasion, Colour Life announced that its Smart Community Ecosystem was officially launched in Shanghai. As a support to the smart communities, the internet-enabled Caizhiyun platform started providing services in properties on a total site area of more than 6,000 sq.m. at the same time.

Mr. Tang Xuebin, the Executive Director and Chief Executive Officer of Colour Life said, “The ecosystem is first launched in Shanghai, and is aimed at creating the Smart Community Operation System which makes Shanghai as the centre of such operation. Its influence will be radiated farther to the whole region of eastern China. The establishment of the ecosystem of smart communities promotes the transformation of China’s property service industry and unleashes the potential of the industry. There will be a tremendous market for community services and operations with a size of trillions of yuan. The community platform can be a good and efficient means of serving communities.”

Establish close connections within communities

In July, Fantasia and 77 Wencuang (77 文創) jointly launched the "Property + Community + Cultural Activities" cooperation model, and created the “Xingfu 7 He” (幸福 7 和) project. The “Xingfu 7 He” project is located at an old factory of Oriental Petrochemical, Beijing East Fifth Ring Road. The project is expected to be launched by the end of 2017. It is also expected that the overall area of the park will be completed and the whole park is expected to be opened in the first half of 2019.

The project was initiated by Fantasia Charity Foundation that invited the public to design an art museum for the “Xingfu 7 He” project at an old factory. Over the past half of the year, Fu Museum design competition was successfully held. Fantasia recorded the public understanding of happiness with designers. Speaking of “community +”, Mr. Pan Jun, Chairman of Fantasia said, “Fantasia aims to build on the foundation of its business by diversifying into the business of artistic and cultural creativity. It will do so through cooperation with 77 Wenchuang. In the “Xingfu 7 He” project, Fantasia aims to create a business model that integrates businesses into communities. With this new business model, we can unlock the value in communities by promoting the business of artistic and cultural creativity and fitting them into the lifestyle of such communities.”

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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

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