



Fantasia's July contracted sales grew in both volume and value

Colour Life's community-based service platform "Cai Hui Rensheng" announces progress made

(3 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) announces its sales performance for July 2018. Fantasia Property Group, a subsidiary of the Group, sold properties with an aggregate of 108,021 square metres (sq.m.) in gross floor area ("GFA") and recorded contracted sales of RMB1.536 billion, which represented a year-on-year growth of 118.63%. For the first seven months of 2018, the Group sold properties with an aggregate of 1,273,205 sq.m. in GFA. The accumulated contracted sales during the period grew by 123.15% year on year to RMB12.843 billion, which means accomplishment of 42.8% of the full-year contracted sales target of RMB30 billion.

Contracted sales in July rose by 118.36% year on year to RMB1.536 billion

At the beginning of the second half of 2018, the number of transactions on the property market in July rose steadily with slight increases recorded in different cities. Specifically, the number of property transactions grew by 16.6% month on month in first-tier cities. In Shenzhen, for example, the number of property transactions surged by nearly 70% month on month. Among the second- and third-tier cities, Nanjing recorded a month-on-month increase of 116.6% in the number of property transactions. The sales at the top 100 property developers increased by approximately 57% year on year in July, and such sales from January to July increased by approximately 40% compared with the same period of last year, which was driven by a rebound in sales for four consecutive months. The country's land supply decreased in July compared with that in June, but increased by nearly 20% year on year. The Chinese government continued to tighten both the regulation of the property market and the credit.

Fantasia achieved contracted sales of RMB1.538 billion in July and maintained momentum of high growth. The year-on-year growth rate in a single month continued to more than double, reaching 118.63% in July, far exceeding the average growth rate of 57% recorded by the country's top 100 property developers (Source: EHConsulting). Moreover, the average selling price ("ASP") in July exceeded RMB14,000 per square metre for the first time, representing a year-on-year increase of nearly 90%. For the period from January to July, the Group led the industry in terms of contracted sales growth by recording a year-on-year growth of 123.15%. In terms of specific projects, Baolifeng in Hefei, Lake Piedmont International in Guilin and Xiangmendi in Chengdu recorded contracted sales of RMB822 million, RMB160 million and RMB107 million respectively, which indicated good sales performance. In addition, the Group's other property projects such as Jiatianxia in Shenzhen, Zhihui City and Daxigu in Chengdu also achieved outstanding sales performance.

"Cai Hui Rensheng" marked a milestone by innovating the community-based consumption services

The "Colour Life Assists the Community in Stimulating Economy – Innovation in the Community 2018 Conference (Shenzhen, China)" was jointly organised and held by China Property Management Institute and Colour Life Services Group on 13 July. At the conference, capital investment, property management, community-based commercial activities and the residents' living in such communities were discussed under the theme of "innovation and new economy in the community", with the aim of accelerating the upgrading of the property management in China and of inspiring innovation and healthy and sustainable development of the community-based economy.

The Caizhiyun-based community service platform – "Cai Hui Rensheng" was launched on 31 March 2018. "Cai Hui Rensheng" connects the property management to the commercial service with the consolidation of the vendors and service providers of clothing, food, accommodation, transport, entertainment, shopping and travel. By joining hands with the merchants in granting concessions to customers, the platform created a new type of community-based retail by returning some of the property management fees to home owners. This not only has enabled the

home owners to save money but also has improved the management fee collection rate. As of 5 July 2018, the number of total orders placed on the platform of Cai Hui Rensheng reached 391,818 and the property management fee waived for home owners has amounted to more than RMB13.28 million within 96 days of the launch of the platform.

Colour Life aims to enrich the community-based ecosystem of businesses by introducing diverse services into it. For example, all the services provided by Cai Hui Rensheng can be available outside of the community, but they are offered in it as a way to innovate the mode of operation. This is what Colour Life aspires to. Mr. Pan Jun, Chairman of Fantasia, said, "We have to do two things at the same time. First, we analyse the types of transactions conducted online; second, we analyse the changes in personal relationships in the neighbourhood, families of the home owners and other social relations. The reason why WeChat has a market capitalization of between RMB3,000 billion and RMB4,000 billion is that it formed new social relations. We are looking forward to the emergence of types of social relations and new types of transactions. These will provide new room for Colour Life's development in the future."

In a sense, Colour Life's ecosystem of businesses is where the future of the community-based services lies as its online service platforms such as "Cai Hui Rensheng" can enhance both the services and customer loyalty. Through its minority stakes in property projects, Colour Life obtains the rights to run its Caizhiyun platform in its business partners' property projects. Moreover, it keeps expanding its business to serve more communities and more people without affecting the interests of the property companies.

Tang Xuebin, the CEO of Colour Life, said that, "the new property service cooperation model of realizing sharing, symbiosis and win-win between owners, businesses and property parties brings positive effect. This helps to exempt home owners from property management fees and, at the same time, helps property companies to increase property management fees. This is made possible by the magical effect generated by the matching the enriched community-based services to the real needs of home owners and our cooperation with various merchants." According to the statistics, since its launch, "Cai Hui Rensheng" recorded a total number of users of around 610,000 and the daily average page views of 43,100. This means that over 40,000 visits are paid by more than 10,000 users to the online platform every day.

Tapping the families' real needs and demand, and capitalizing on the volume of the communities' visits to an online platform will be Cai Hui Rensheng's way to develop its business. Colour Life believes that the future property management and future community services have to reach international standards.

The combination of property business and community-based services enriches the community life

On 12th July, Colour Life held the Investment conference and the ceremony of signing up main merchants in Shenzhen Colour Life Times Square. Colour Life Times Square is a shopping mall that places emphasis on lifestyle and it is a key component of Colour Life's ecosystem of businesses. The shopping mall and the online platform Caizhiyun will form a one-stop lifestyle service platform for home owners in communities, showcasing the online-to-offline business model. The organic combination of the Internet and the physical shopping mall manifests a new business model of "Internet + Community Business" and enhances the ecosystem of businesses in smart communities.

Colour Life Times Square is not an ordinary commercial property but an experience centre for the home owners in a community, connecting the community and business. For instance, the home owners can shop for not only fresh food but also a variety of other goods at what is a larger version of "Freshhema". Customers can place orders for goods online and have them delivered to their homes from Colour Life Times Square. Such are goods are also displayed at the shopping mall.

Different from Fantasia, Colour Life's business is based in communities and their ecosystem of businesses. Fantasia Commercial emphasizes the integration of property business and community-based services. It also seeks to develop its business through -property development, acquisitions and property management. One way to do

business is to develop and manage its own properties. Another way to do business is to adopt an asset-light business model or focus entirely on community-based services. The company can do strategic planning, recruit merchants for its community-based services, operate its business and conduct sales. Through years of managing the membership system, Fantasia Commercial has attracted nearly 2 million members from its nationwide commercial property projects, and have initially built a data base of its consumers' profiles. Meanwhile, the big data system of Fantasia Commercial, Colour Life and Fantasia Group are linked. This allows precise marketing and interactive services which are targeted at tens of thousands of people who are living in the communities covered by the Group's community-based services. The big data system also free the Group from the geographical constraints. Online and offline services can complement each other, and this allows the Group to diversify from commercial property management into a wide range of services that meet the needs of peoples' daily life. By 2020, the number of Fantasia Commercial's property management projects will reach 80 nationwide, and the gross floor area covered by its property management will exceed 5 million square meters.

Colour Life Services Group awarded "AA" credit rating by CCXR

Colour Life Services Group was awarded "AA" credit rating with a stable outlook by China Chengxin Securities Rating Co., Ltd., a well-known domestic rating agency. This reflects that Colour Life's positioning and its innovative operation have been recognised. The upgrade of the rating is of great significance as it enables the company to expand its financing channels, lower its financing costs and thus increase its overall competitiveness in the market.

The Company's Business will begin its two-pronged growth strategy in the second half of the year

The market for property development has become more and more concentrated and is close to saturation. Yet, there is still room for development of businesses which are derivatives of property business. Asset-light business model is still an advanced business model for a property firm. In the second half of the year, we will operate with such advanced business model by increasing the sell-through rate, improving its asset turnover ratio, creating high-end properties and adding more value to its products. The Group will also seek to expand its business by adopting an asset-light business model, namely through a highly-leveraged real estate fund. It focus on pension apartments, youth apartments, and community-based businesses. In field of industrial property development, we will acquire lands at low prices.

Colour Life's community-based service business, through horizontal integration and the combination of online and offline services, has boosted commercial activities in communities and thus has enhanced the overall valuation and brand value of the properties in such communities. This year's key task will be enhancing the community's commercial activities by offering popular services through "Cai Hui Rensheng". In the future, Fantasia will also set the standards for the construction of communities, community's ancillary facilities, and community-based services as it strives to be the leader in the community-based service industry.

As the world's leading provider of community-based integrated services, Fantasia has taken great efforts to understand the users' needs and wants and has dedicated itself to providing home owners with a wider choice of community-based services and products with a human touch. Fantasia will grow together with the community service industry, make every effort to create a "community +" ecosystem of businesses as an organic whole, and provide its community members a fun and interesting living environment and experience.

Fantasia will continue to integrate its internal and external resources so as to develop both its real estate business and community-based services in an organic ecosystem of businesses. This will allow it to create good 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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