



花样年
FANTASIA

2018 Annual Results Presentation

March 2019

Disclaimer



花样年
FANTASIA

This presentation has been prepared by Fantasia Holdings Group Co., Limited (the “Company”) solely for use at the presentation regarding the Company and its subsidiaries (collectively, the “Group”).

No representation or warranty (whether express or implied) is made as to the fairness, accuracy, completeness or correctness of, and no reliance should be placed on, such information or opinions contained herein. None of the Company, any member of the Group, nor any of their respective affiliates or any of their directors, officers, employees, advisers or representatives shall have any liability whatsoever (for negligence or misrepresentation or in tort or under contract or otherwise) for any loss howsoever arising from any use of information presented at this presentation or otherwise arising in connection with this presentation.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by the Company in the United States.

This presentation contains statements that reflect the current beliefs and expectations of the Group and the Company about the future as of the respective dates indicated. These forward-looking statements are based on a number of assumptions about the operations of the Company and the Group and factors beyond the control of the Group and the Company and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements and no reliance should be placed on these forward-looking statements. The Group and the Company undertake no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

Content



花样年
FANTASIA

1. Business Review
2. Financial Review
3. Market Outlook for 2019

Performance Highlights in 2018



花样年
FANTASIA



Breakthrough

Contracted sales exceeded **RMB30 billion**
Year-on-year increase of approximately **50%**
Sales scale to a new level



Stability

Net gearing ratio controlled at **77.4%**
Down **5.5%** from 2018 interim
Solid and benign financial conditions



Growth

Revenue reached **RMB14 billion**
Year-on-year increase of **43%**
Business under rapid growth



Acceleration

Newly commenced project area of **4.63 million** sq.m., increasing **106%** year on year
Project area under construction of **5.94 million** sq.m., increasing **103%** year on year
Assured future saleable resources



Simultaneousness

Property servicing and other revenue accounting for nearly **40%**
Year-on-year increase of **70%**
Stable achievement in “simultaneous light and heavy assets strategy”



Abundance

Total land bank of **20.91 million** sq.m.
Expected total value of over **RMB300 billion**
Provides strong support for future growth



Enhancement

Gross profit margin maintained at high industry level of **30%**
Year on year increase of **135%** in core net profit⁽¹⁾
Profitability enhanced significantly



Potential

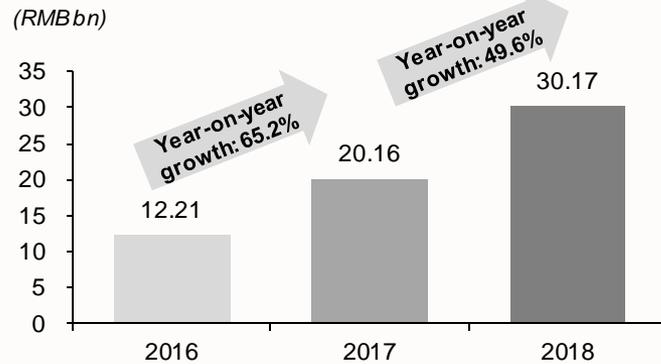
39 urban renovation projects in Greater Bay Area actively progressing
Planned GFA of approximately **9.00 million** sq.m.
Urban renewal business enjoys tremendous potential

(1) Core net profit refers to profit for the period excluding exchanges profit or loss

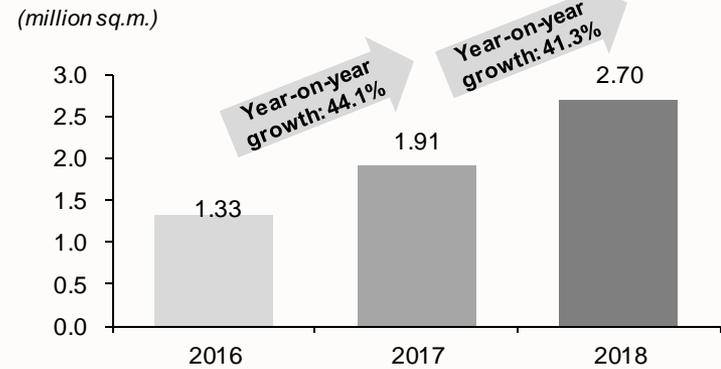
Contracted sales growth significantly



Contracted sales value



Contracted sales area



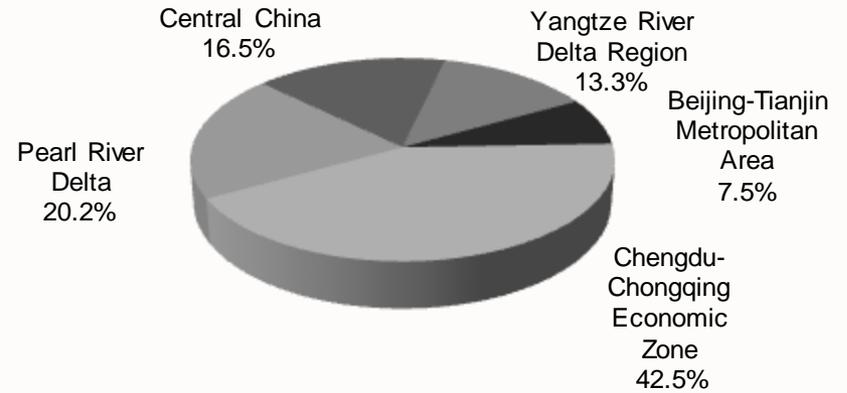
Contracted sales by value

- Products mainly for rigid demand and first improvement. They are distributed in first and second-tier cities in most developed metropolitan areas in China.

By product



By region



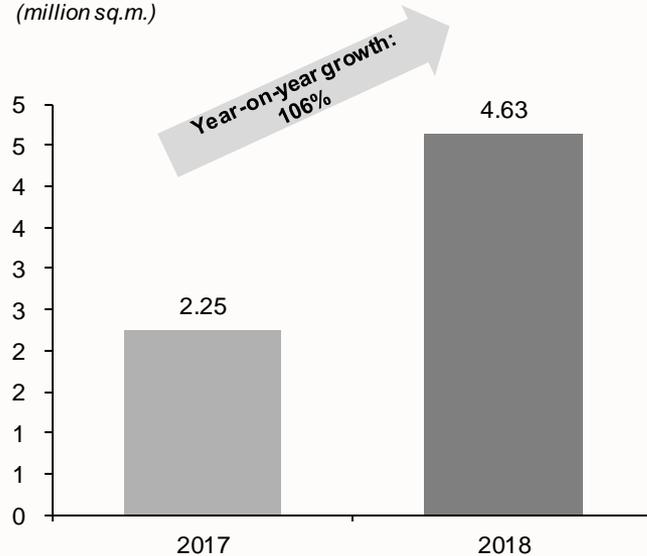
Speeding up in projects to assure growth drivers



- Newly commenced project area and project area under construction increased 100% with sufficient products available for sale.

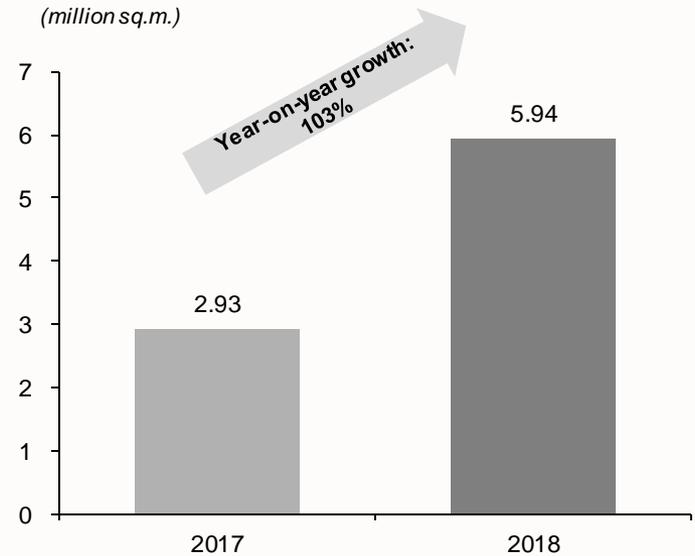
Newly commenced project area

(million sq.m.)



Project area under construction

(million sq.m.)



Acquiring new quality land at low cost

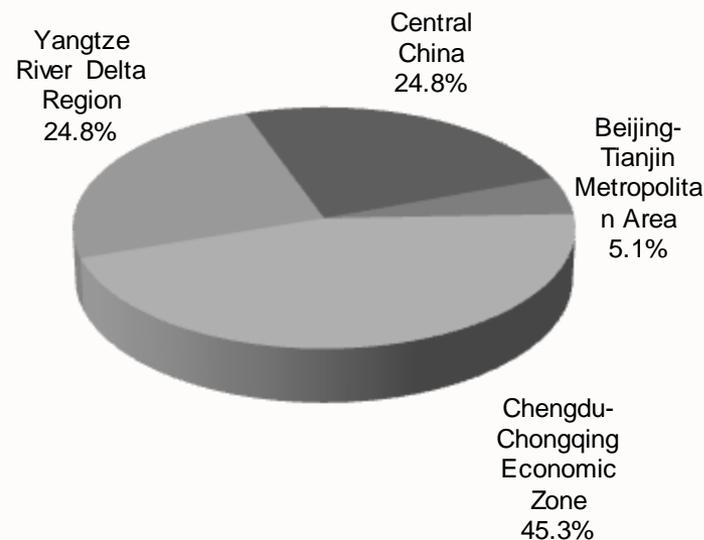
花样年
FANTASIA

- In 2018, the Group continued to expand its comprehensive strategic move in metropolitan areas and focused on key cities. In the 10 cities with tremendous market potential, including Chengdu and Wuhan, it obtained 17 pieces of land with a GFA of approximately 4.81 million sq.m., an attributable GFA of approximately 3.38 million sq.m. and an attributable investment of approximately RMB6.8 billion.
- Newly entered into Hangzhou, Hefei, Shijiazhuang, Tangshan and other cities, further enhanced its regional layout.
- Among the lands acquired, only three in Chengdu were obtained through auction. The remaining quality lands were obtained through mergers and acquisitions at relatively low cost.

Newly obtained land reserves in 2018

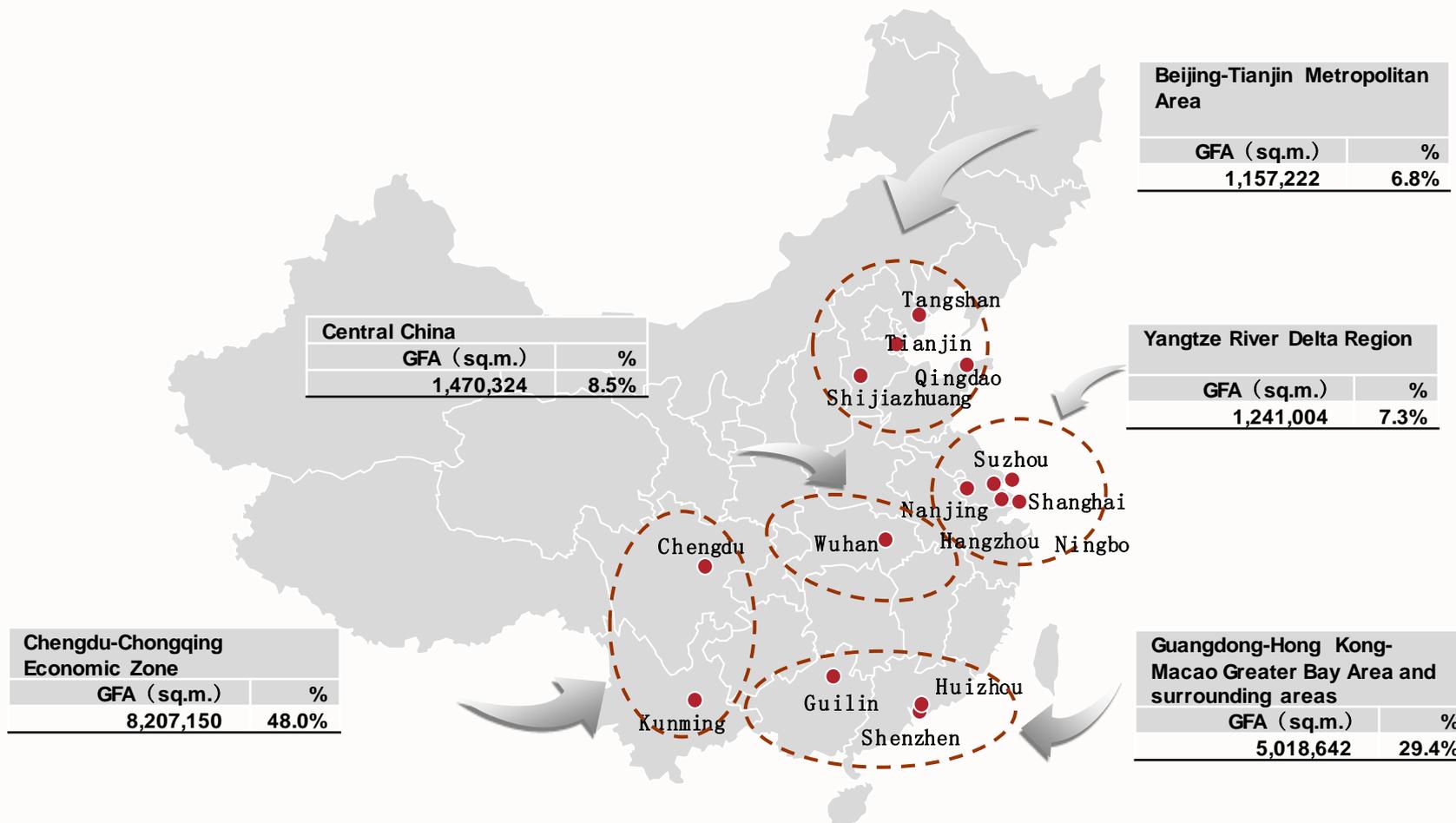
Region	No. of projects	GFA (mn sq.m.)	Equity GFA (mn sq.m.)	Equity land price (RMB bn)	Land unit price (RMB/sq.m.)
Chengdu-Chongqing Metropolitan Area	4	1.853	1.430	3.059	2,100
Yangtze River Delta Region	5	0.937	0.585	1.680	1,600
Central China	5	1.390	1.039	1.676	2,900
Beijing-Tianjin Metropolitan Area	3	0.626	0.319	0.341	1,100
Total	17	4.806	3.373	6.756	2,000

Regional investment proportion based on investment amount



Abundant land reserves support future development

- As at 31 December 2018, the Group's land bank totaled approximately 20.91 million sq.m. in planned GFA across 15 cities. In which 17.09 million sq.m. was attributable to Fantasia Group, including 5.80 million sq.m of planned GFA of properties under framework agreements. Planned GFA of 3.82 million sq.m. was attributable to the Parent Company's Fund.
- Approximately 90% of land reserves are in first and second-tier cities, laying a solid foundation for future development.



Focusing on Greater Bay Area with huge development potential



花样年
FANTASIA



- Guangdong-Hong Kong-Macao Greater Bay Area is one of the four biggest bay areas in the world. It is one of the regions with the highest openness and strongest economic vitality in China.
- The introduction of the Greater Bay Area plan will actively promote the development of the property market in the area.
- The development strategy and strengths of the Group are in line with the planning of the Greater Bay Area. The introduction of the Greater Bay Area plan offers excellent opportunities for the Group's rapid development.
- The Group has 39 urban renewal projects under different development stages in the Greater Bay Area, most of them are located in Shenzhen and Huizhou. It also sets its layout in Dongguan, Zhongshan, Zhuhai and other cities with a planned GFA of approximately 9.00 million sq.m..

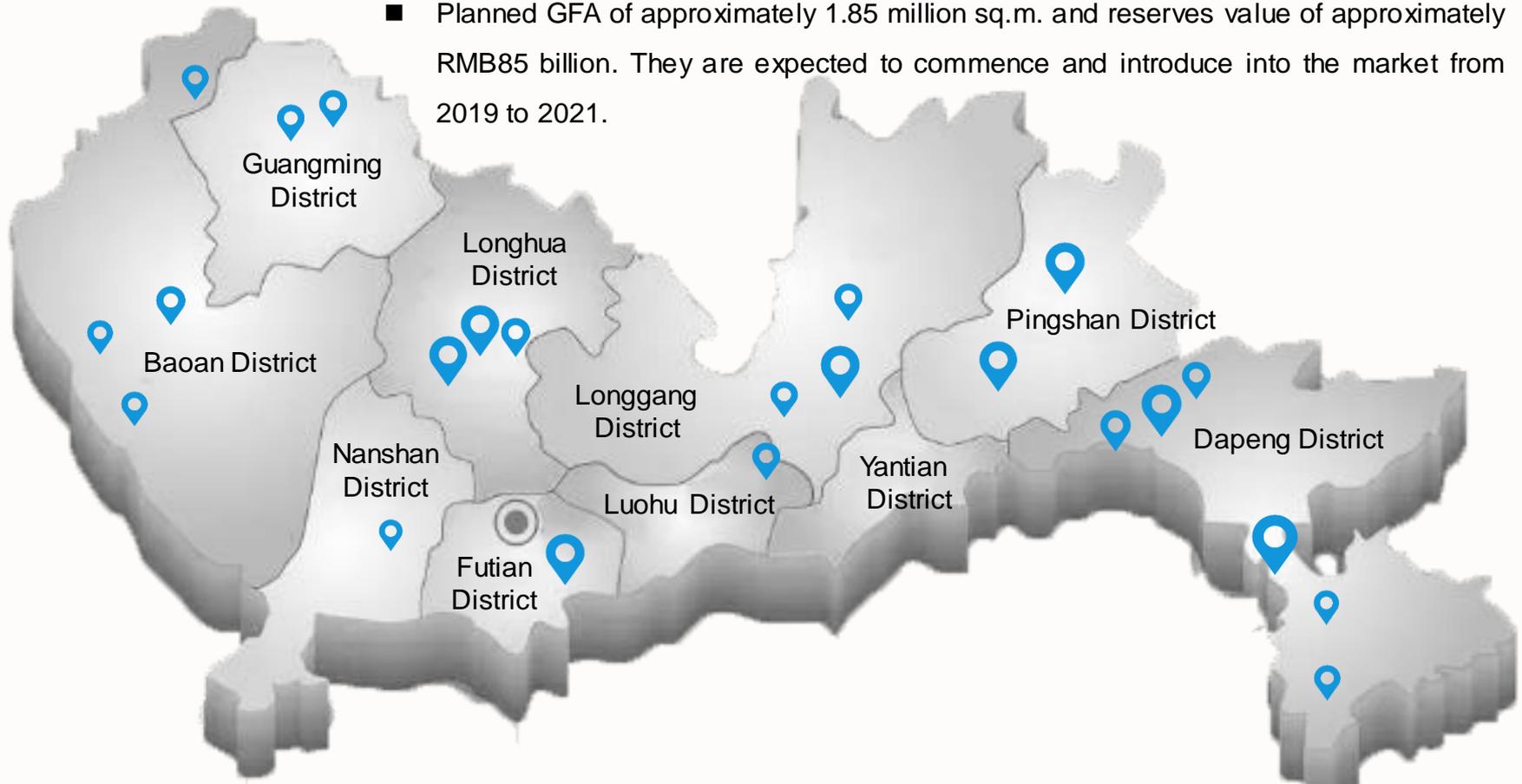
“Fantasia’s strategic layout in Greater Bay Area”

	Cities	Current layout
First echelon 	Shenzhen	<ul style="list-style-type: none"> ✓ Framework agreements of 10 urban renewal projects have been signed and incorporated into land bank ✓ Another 14 urban renewal projects are under active progress
Second echelon 	Huizhou, Dongguan	<ul style="list-style-type: none"> ✓ 13 urban renewal projects are under active progress
Third echelon 	Other cities in Greater Bay Area	<ul style="list-style-type: none"> ✓ 2 urban renewal projects are under active progress

Prominent advantages in Shenzhen's urban renewal projects

花样年
FANTASIA

- 24 projects throughout Shenzhen
- Well positions in core areas like Luohu, Futian and Nanshan
- Framework agreements of 10 urban renewal projects have been signed
- Planned GFA of approximately 1.85 million sq.m. and reserves value of approximately RMB85 billion. They are expected to commence and introduce into the market from 2019 to 2021.

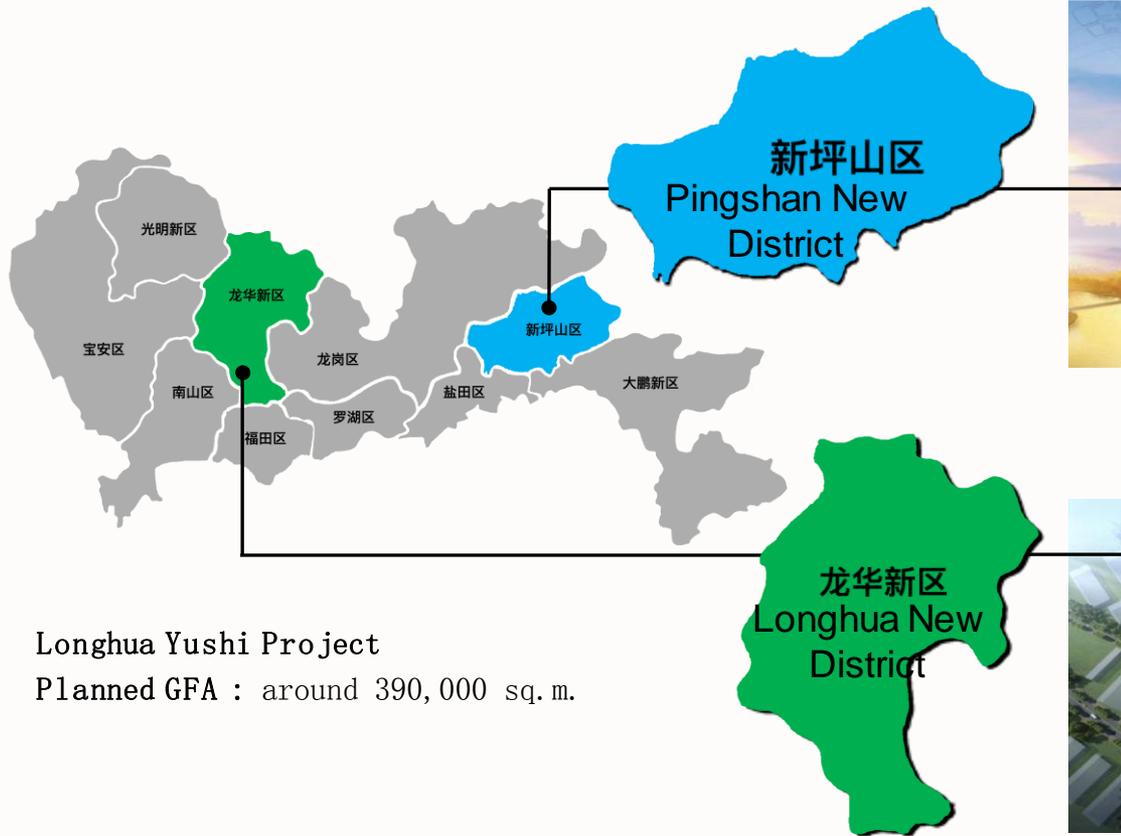


Introduction to key city renewal projects



花样年
FANTASIA

- Pingshan Project Phase I & II
- Planned GFA : Phase I of 230,000 sq.m. ; Phase II of 160,000 sq. m.

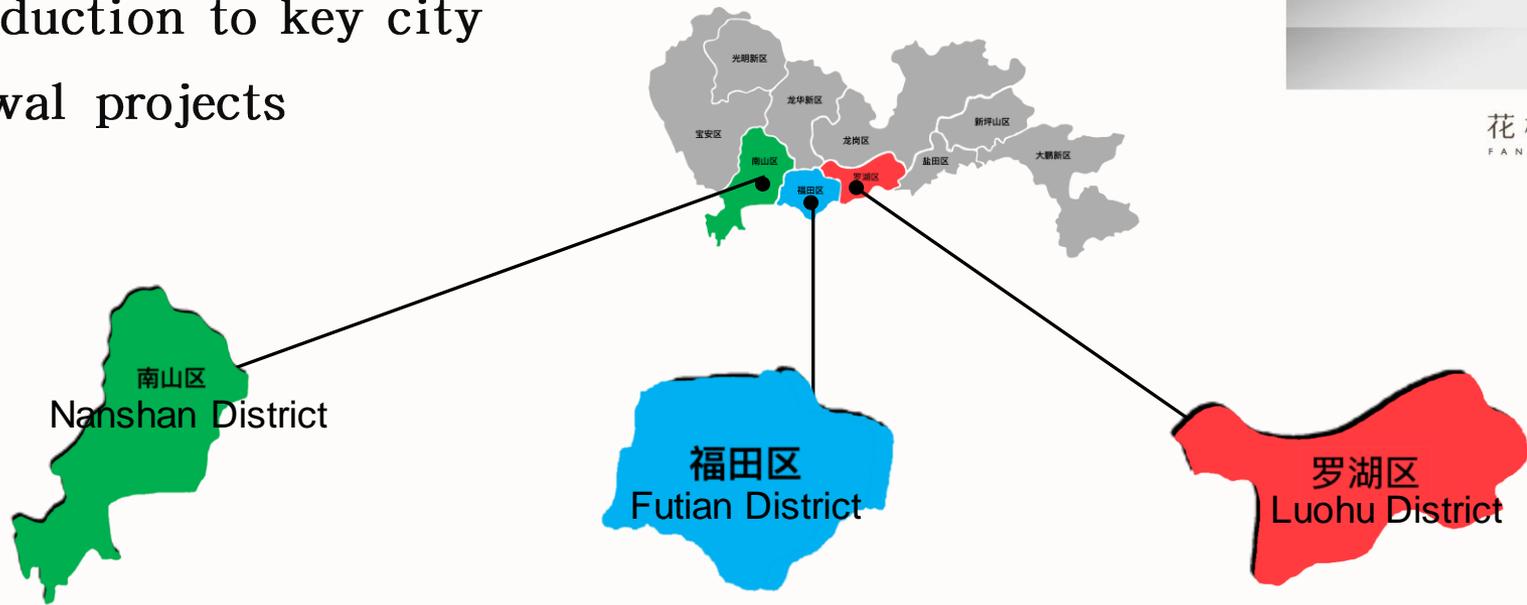


- Longhua Yushi Project
- Planned GFA : around 390,000 sq. m.

Introduction to key city renewal projects



花样年
FANTASIA



Nanshan Headquarters Base:
Planned GFA : 74,000 sq. m.



Futian Meilin Project:
Planned GFA : around 100,000 sq. m.



Luohu Caobu Project:
Planned GFA : 86,000 sq. m.



New representatives of industrial real estate



花样年
FANTASIA

- Fantasia's industrial real estate are mainly for strategic emerging industries. It joins high-tech enterprises and advanced manufacturing enterprises in developing industrial real estate projects. Meanwhile, Fantasia is responsible for the operation and management after the completion of the projects and providing basic services and value-added services for enterprises.
- Since 2018, by leveraging on its rich experience in the development and operation of ICPARK, an intelligent manufacturing industrial park, Lenian Plaza, a supporting health industrial park, and other industrial real estate projects in Shenzhen, Fantasia stepped out of Guangdong and obtained two quality projects in the Yangtze River Delta and the Beijing-Tianjin Metropolitan Area. It also initiated cooperation with 360 Group, iSoft Software and other well-known enterprises to create new development opportunities and advantages.

Hangzhou Wisdom Valley 360 Industrial Park

Obtained in July 2018

Project introduction

It is a large-scale industrial park in the Wisdom Valley Town, Gongshu District, Hangzhou City and will build a high-end industrial complex for the Internet digital economy industry with complete supporting facilities. The total GFA is approximately 230,000 square meters.

Partner

360 Group, a leading Internet and mobile security product and service provider in China

Zhangjiakou Huailai iSoftStone Industrial Park

Obtained in February 2019

Project introduction

It is located in Zhangjiakou Huailai Industrial New City, the bridgehead to the Beijing-Zhangjiakou Technology Innovation Corridor, covering an area of 348 mu and aiming to build the iSoftStone Industrial Park for industrial, commercial and supporting residential purposes.

Partner

iSoftStone, a leading innovative software and information technology service provider in China

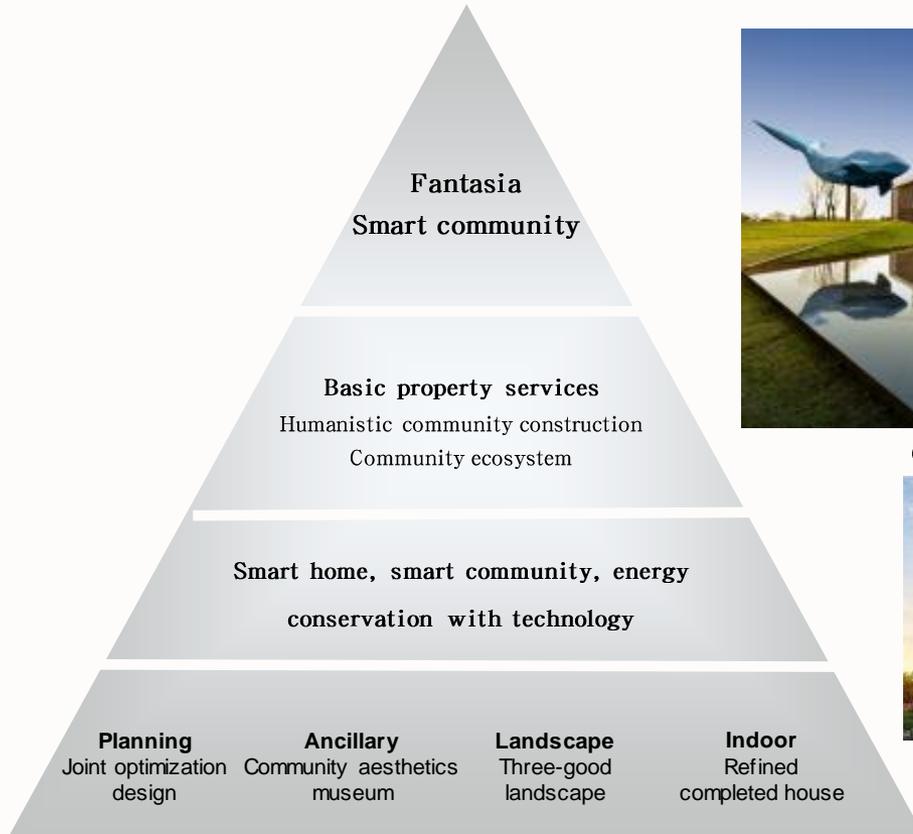


“Smart” maker for happy communities



花样年
FANTASIA

- “Jiatianxia” product line is a masterpiece of Fantasia’s concept of “smart” maker for happy communities. It integrates hardware, software, services and technology to increasing product added value and gaining high market recognition.
- During the reporting period, four Jiatianxia projects under sales have a total sales volume of RMB7.9 billion, accounting for 26% of the overall sales of the Group.



Chengdu Jiatianxia



Nanjing Jiatianxia



Shenzhen Jiatianxia



Tianjin Jiatianxia



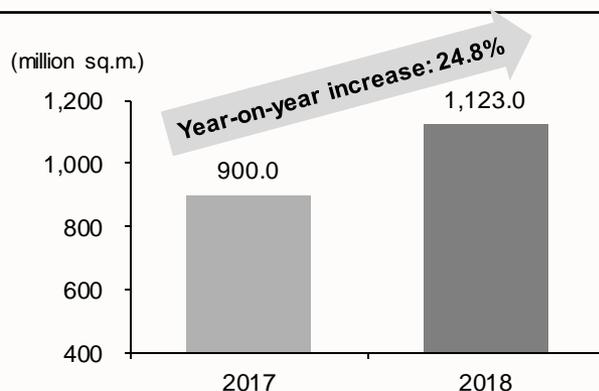
Shenzhen Jiatianxia

Biggest community services provider in the world

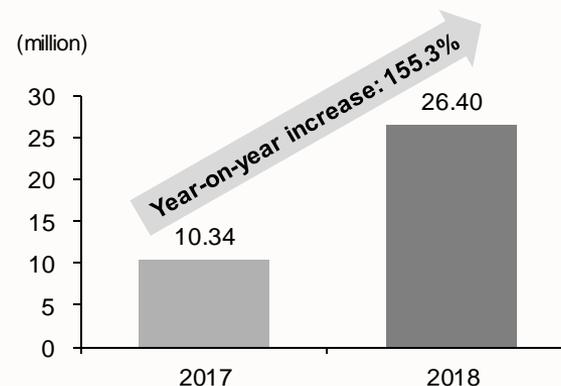
花样年
FANTASIA

- As the world's largest community service platform, our Group's subsidiary Colour Life Service Group always abides the concept of "Bringing Door-to-door Services". Through the establishment of the online and offline integrated smart community ecosystem, it achieves rapid growth in results. In particular, the value-added business developed rapidly and has become the pillar for future rapid growth of Colour Life Service Group.

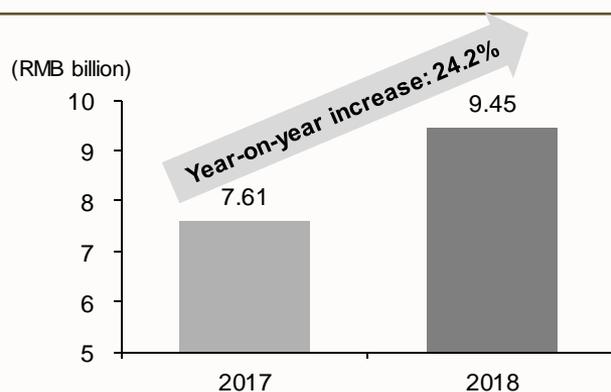
Platform service area increased significantly



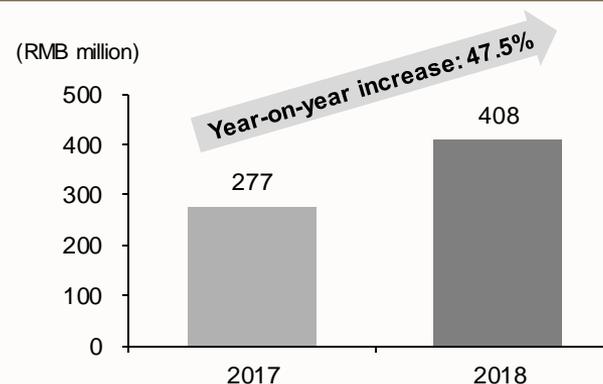
Number of platform users expanded rapidly



Platform transaction amount rose remarkably



Revenue from value-added services grew continuously



Content



花样年
FANTASIA

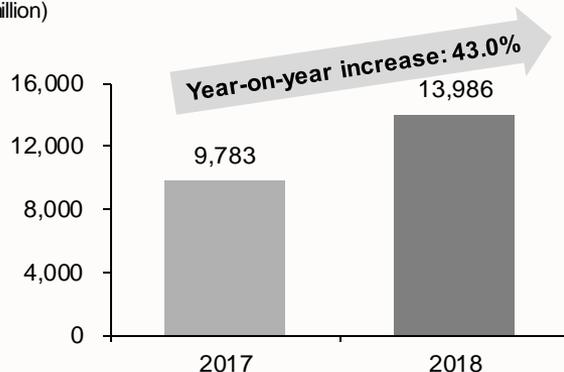
1. Business Review
2. Financial Review
3. Market Outlook for 2019

Performance indicators increased remarkably

花样年
FANTASIA

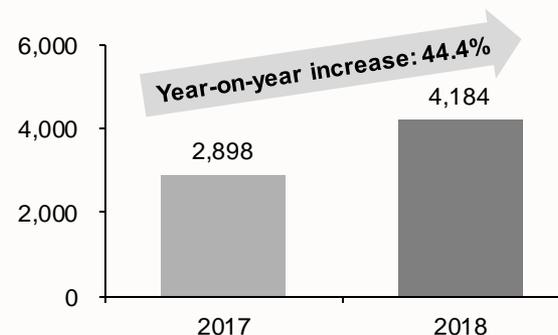
Revenue: under rapid growth trend

(RMB in million)



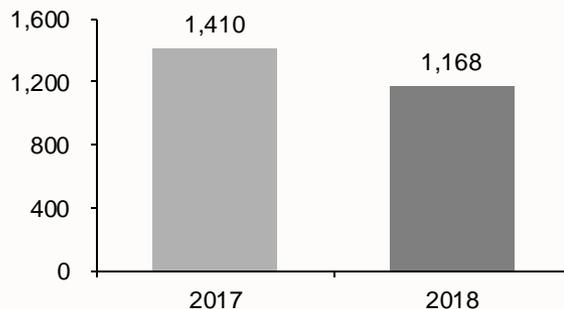
Gross profit: growth reached new high

(RMB in million)



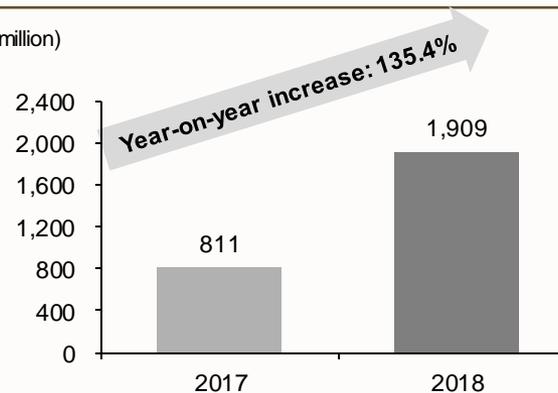
Net profit

(RMB in million)



Core net profit⁽¹⁾: sustained profitability enhancement

(RMB in million)

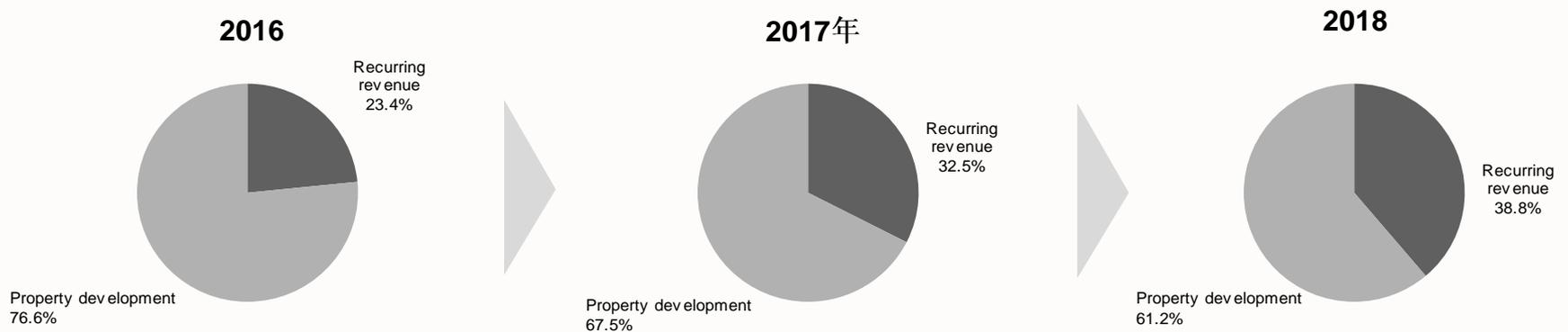


(1) Core net profit refers to profit for the period excluding exchanges profit or loss (2017: 599 million gain; 2018: 741 million loss)

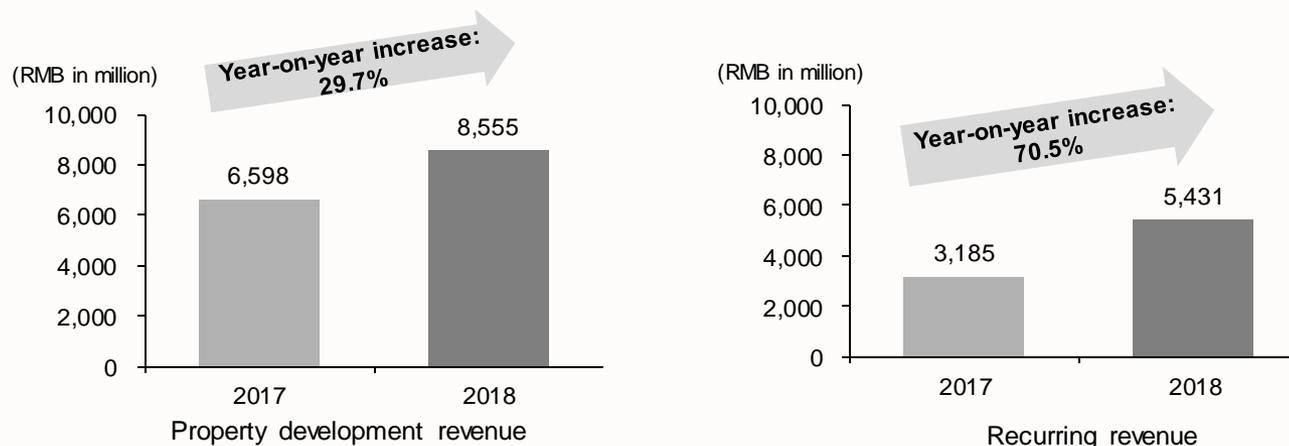
“Asset-light and heavy” strategy stably realized

Proportion of recurring revenue keeps on increasing

In 2018, the proportion of recurring revenue⁽¹⁾ of the Company in total revenue keeps on increasing, accounting for nearly 40% of total revenue and representing a year-on-year increase of 6.3 percentage points.



Property development and recurring revenue grew simultaneously



(1) Recurring revenue refers to revenue from property investment, property agency services, property operation services and other businesses in addition to revenue from property development

Financial conditions remained stable

Liabilities

RMB in million Figures as at 31 December 2018

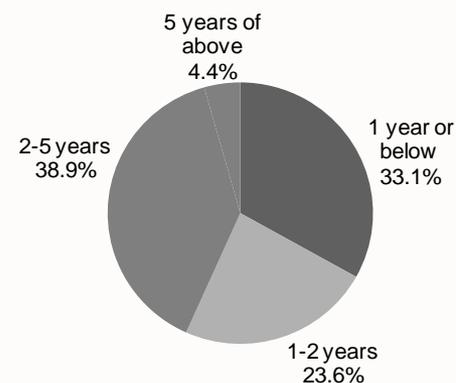
Total borrowings	43,624
Revenue from cash and cash equivalents ⁽¹⁾	28,570
Total equity	19,455
Net gearing ratio ⁽²⁾	77.4%

The net gearing ratio of Fantasia as at the end of 2018 decreased by 5.5 percentage points from 82.9% in mid-2018, showing the financial conditions had further improved.

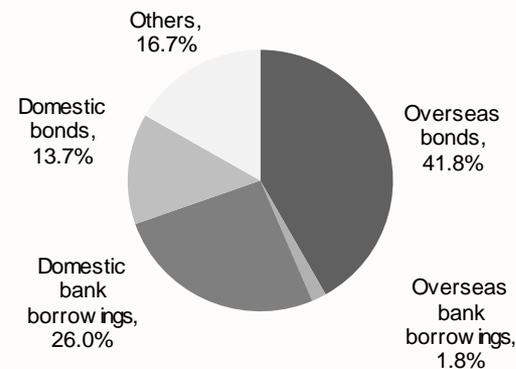
(1) Cash and cash equivalents include restricted bank deposits

(2) Net gearing ratio is calculated by: (total borrowings – cash and cash equivalents) / total equities

Maturity structure of debts



Channel structure of debts



Content



花样年
FANTASIA

1. Business Review
2. Financial Review
3. Market Outlook for 2019

Industry prospects

花样年
FANTASIA



/ Economy /

Under the downward pressure of the macroeconomy, the real estate industry will continue to play the role of stabilizing economic growth.



/ Policy /

Under the keynote regulation of “houses are for living and not for speculation” and “different policies for different cities”, the market may see phasal recovery environment.



/ Industry /

Constant improvement in urbanization and the emergence of Guangdong-Hong Kong-Macao Greater Bay Area and other metropolitan areas will further facilitate the growth of first and second-tier cities



/ Enterprise /

Seek “quality” growth. While expanding in size, it will maintain sound profitability and assure financial stability.



/ Community /

In the era of stock properties, community services industry will welcome rapid industry development and the transformation from “managing “items” to serving “people” is essential in traditional property services

Focusing on leading business | Property +

- ✓ Speeding up in de-stocking by seizing appropriate timing and structural opportunities
- ✓ To achieve 20%-30% growth in sales

Sales



Investment



- ✓ Focusing on Greater Bay Area and 1st and 2nd-tier cities
- ✓ Strengthening cooperation and merger & acquisition
- ✓ Investment to be 1/3 of the contracted sales cash inflow

- ✓ Enhancing profitability
- ✓ Optimizing asset and liability structure
- ✓ Lowering finance costs
- ✓ Focusing on operating cash flow

Finance



Operation



- ✓ Consolidating resources to the maximum extent
- ✓ Improving enterprise operation efficiency
- ✓ To develop intelligence boutique benchmarking products and increase product added value



Focusing on leading business | Community +

- ✓ Speeding up in Internet-based consolidation
- ✓ Optimizing quality & efficiency of basic property services
- ✓ To improve customer satisfaction

Efficiency reform

- ✓ Speeding up platform services coverage
- ✓ Through platform output and cooperation with outstanding industry partners

Platform output



- ✓ Effective accumulation of data and information through the unique “online + offline” platform
- ✓ To achieve efficient ecosystem operation

Ecosystem construction

- ✓ Colour Benefit Life - Establishing new retails in communities
- ✓ Colour Wealth Life - Establishing relationship between property fees reduction, and demand for investment and wealth management

Core products advancement

Light and heavy assets, highlighting principal business

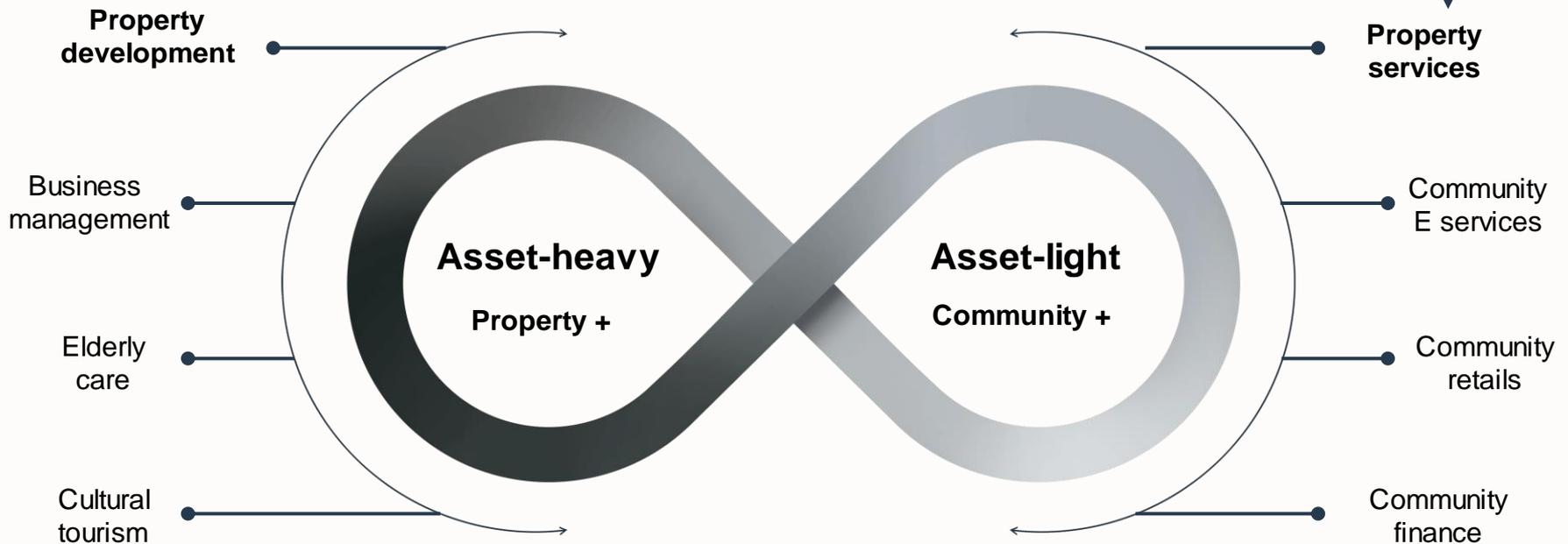


花样年
FANTASIA

Driven by the dual leading business drivers

Becoming an industrial investment group

focusing on living space and experience





花样年
FANTASIA

Fantasia Creates Value

Please contact our IR team (ir@cnfantasia.com) for further information or visit www.cnfantasia.com