



Fantasia Holdings Group Co., Limited

(Stock code: 1777)

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FANTASIA

**Fantasia announced interim results for 2015
Contracted sales met target, progressed light-asset transformation smoothly**

Financial and Business Highlights

- **The property market exhibited a trend of recovery for its fundamentals. The Group continued its steady and healthy business strategy and sought to lower its inventory proactively**
 - ✓ Contracted sales for the first half amounted to RMB4,047 million, up 125% year on year (full-year target RMB11 billion) with contacted GFA aggregated 548,011 sq.m..
- **The Group is financially healthy and stable with steady growth in revenue**
 - ✓ The Group's revenue for the six months to June 2015 was RMB3,630 million, up 24.4% from RMB2,917 million for the same period in 2014. Net gearing declined substantially by 7.7 percentage points to 79%.
- **Proactively progressed light-asset transformation**
 - ✓ Colour Life's contracted GFA under management aggregated 270 million sq.m. in more than 1,700 projects. Colour Life saw the coverage of GFA under its management covered Eastern, Southern, Northwestern, Southwestern, Northeastern, Northern and Central China and Singapore. It has completed hardware upgrading works for 345 communities.
 - ✓ Established relentlessly the four platforms: residential, business, commercial and retirement communities, strengthened the four application areas of community finance, community manufacturing, community culture and tourism and community education, created an organic ecosystem that allows interaction and coordination among platforms and application, as part of the efforts to progressing light-asset transformation.

(14 August 2015, Hong Kong) **Fantasia Holdings Group Co., Limited** ("Fantasia", or the "Company", together with its subsidiaries, the "Group"; HKEx stock code: 1777), the largest community service platform in China, today announced its unaudited interim results for the six months ended 30 June 2014.

During the first half of 2015, the macroeconomic policy environment in China continued to improve. Sales momentum picked up significantly after the launch of bail-out measures jointly by the five ministries in late March. Property sales saw their downward adjustment momentum contained while the market exhibited a trend of recovery for its fundamentals. The Group continued its steady and healthy business strategy and proactively lower its inventory. With morale at high levels, the team achieved contracted sales of RMB4,047 million with contracted GFA aggregated 548,011 sq.m..

For the six months ended 30 June 2015 the Group achieved revenue of RMB3,630 million, up 24 % year on year. Operating profit for the period was RMB279 million, up 127% year on year. Net profit attributable to owners of the Company was RMB207 million, up 105% year on year. Basic earnings per share was RMB3.61 cents. The Board of Directors of the Company has resolved not to recommend an interim dividend payment.

As at end-June 2015, the Group's net gearing was 79%, down substantially by 7.7 percentage points from 86.7% as at end-December 2014.

Mr. Pan Jun, Chairman of the Board and Chief Executive Officer of Fantasia, said, “2015 marks a year of shouldering responsibilities and on-the-ground creative implementation of business strategies for Fantasia. With the spirit as an entrepreneur, we kicked on an unrelenting pursuit of our strategies down to every detail, supplemented by on-going reviews and conclusions around the residential, business, commercial and retirement communities. We seek to enlarge our market shares in the four application areas of community finance, community manufacturing, community culture and tourism and community education, progressing our light-asset transformation smoothly.”

Property Development

The Group achieved contracted sales of RMB4,047 million with contracted GFA aggregating 548,011 sq.m. in the first half of 2015. Of these, RMB1,527 million or 37.7% of the total were derived from sale Unban Complexes projects; RMB1,542 million or 38.1% of the total came from Boutique Upscale Residential projects. The contracted sales for the first half were primarily derived from many cities including Chengdu, Wuhan, Suzhou and Huizhou, etc.

During the first half of 2015, the Group continued to adhere to its prudent investment strategy and its development direction of acquiring land in first-tier cities, such as Beijing, Shanghai and Shenzhen, which enjoy strong market potential and are capable of delivering prosperous return. As at 30 June 2015, the planned GFA of the Group’s land bank aggregated approximately 14.71 million sq.m., and the planned GFA of properties with framework agreements signed aggregated 6.42 million sq.m..

Colour Life

The Group, through its Hong Kong listed unit Colour Life Services Group Limited (“Colour Life”, HKEX stock code: 1778) continued to expand its GFA under management via appointments and acquisitions. By end-June 2015, Colour Life has 270 million sq.m. of contracted GFA under management in more than 1,700 projects. Colour Life saw the coverage of GFA under its management covered Eastern, Southern, Northwestern, Southwestern, Northeastern, Northern and Central China and Singapore.

In order to tackle the challenges from escalating labour costs and further enhance the efficiency of the property management services, the Group had implemented the internet-technology reforms and operations in some of the projects under its management. It has completed hardware upgrading works for 345 communities during the first half of 2015. These provide a strong guarantee for centralized management and the quality of services the Group provides to its pillar properties

Established business model for business community services

Positioned for high-end offices and business communities, Home ENE Group (美易家集團) expanded into numerous major projects including Xinxin International in Guiyuan (貴陽鑫新國際), Fuhao Square in Tianjin (天津富豪廣場), Jin Bao Centre in Hefei (合肥金保中心), Haichangliu Binfen Square in Hainan (海南海長流繽紛廣場), Tungluowan project in Nanchang (南昌銅鑼灣項目) and Huifu Building in Chengdu(成都匯富大廈), etc., up to more than 1 million sq.m. in aggregate GFA. This breakthrough in business model has been successfully established and will be applied to business hotel apartments and tourism resorts, etc.

Strengthened capability of business community management further

Leveraging its own management knowhow and customer resources, Fantasia accomplished progresses for its own business communities. The Guilin OMG Mall, as the first shopping mall in Guilin, officially opened on 19 June, 2016 and attracted shopper-traffic up to 100,000 man-times within the first three days. At the same time, The Group accelerated its business community management business and signed contracts for appointments of management of many projects in Ganzhou, Changchun and Shenzhen, etc. These provide guarantee for service and ongoing

brand-building for works of project positioning, tenant recruitment planning and management operations. By end-June 2015 Fantasia managed close to 10 business communities.

Established a model for low-cost retirement, accelerated retirement community development

On a footing of completing the existing projects in Chengdu, Nanjing and Shenzhen, the Group completed location selection and development for several dozen projects including Household Services Stations, Day-Care Centres and Nursing Homes. Ziyue University, Household services and Rehabilitation services were provided to two times more individuals than they were last year. These have established a standardized system for retirement services. We shall continue to establish our leadership in the area of low-cost retirement through household community elderly care, elderly care by urban institutions etc., seeking to roll out a community-based, full-life-stage coverage, professional and sustainable retirement community business model to the mainstream ageing market in China.

Community finance accomplished achievements by prioritizing communities

The Group continued to make use of internet finance models to target its community finance business at the residents, focusing further on the local residential communities and gradually expanded to the business communities. At the same time, the Group was establishing a credit scoring system based on community data, thereby established a firm footing for its community finance business for the future. During the first half of 2015, the Group's small-credit business completed establishment of a use-case scenario for its projects, based on customer segmentation and real-life use cases. These saw the launch of selected target projects that received warm responses from the market with close to 100,000 registered users and successfully raised RMB150 million in aggregate. The leasing finance business maintained high credit quality with effective risk management. The newly added insurance business achieved good results shortly after its launch.

Reform + implementation, community manufacturing achieved flying colours

The Group's community manufacturing business successfully divided into four segments including real estate funds, agency establishments, industrial properties and residential industries. Taking reference from internet enterprise mentality and workflow, the Group experienced a series of reform and improvements. These make the team more committed to shouldering the responsibilities and tighten the implementation to make it more goal-oriented than ever. Stimulated by a new incentive scheme and the high morale from entrepreneur spirits, the segment achieved good results in sales and fund recovery, etc.

Rejuvenating communities and reweaving neighbourhood links for community culture and tourism

During the first half 2015, Fantasia's community culture and tourism business changed the traditional hotel business model and established cooperation with businesses in famous scenic spots. It provided a cooperation platform to rejuvenate residential communities, business communities, commercial communities and retirement communities with resources planning solutions. The move successfully reweaved neighbourhood relationships and boosted the results for the hotel business.

Explored and progressed to embrace community education

The Group's community education business completed rectification and establishment of its business model during the first half of 2015. It completed an exploration into the model of training community service personnel and developed a community training curriculum. It established a team of internal training specialists and achieved a breakthrough in its overseas education business. The Group went all the way into the residential and business communities and provided professional training to the community service personnel. The achievements helped develop core competences and positive endorsements.

Looking ahead into the second half of the year, Mr. Pan concluded, “Fantasia will adhere to its chosen way of serving communities and pursuing its goal of becoming the world’s largest integrated community service provider. We are adjusting our business structure, seeking to establish the four platforms of residential communities, business communities, commercial communities and retirement communities relentlessly. We strive to strengthen the four applications of community finance, community manufacturing, community culture and tourism, and community education, establishing organic ecosystems that allow the platforms and applications to interact and coordinate. These constitute our efforts in pursuing a light-asset transformation into an integrated financial investment holding group.”

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About Fantasia

Founded in 1998, Fantasia was successfully listed on the main board of the Stock Exchange of Hong Kong in November 2009. 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, aiming at establishing the “four major communities” platform comprising Residential Community, Business Community, Commercial Community and Retirement Life Community, that constitute a new landscape with the “four applications”, namely Community Finance, Community Cultural Tourism, Community Manufacturing and Community Education.

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