



Fantasia achieved contracted sales of RMB15.696 billion in the first eight months of 2018, up by 116.84% year on year

Property project “Kunming Lakeside Eden” launched in Kunming to mark first foray into the city

(5 September, 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 August 2018. Fantasia Real Estate Group, a subsidiary of the Group, sold properties with an aggregate of 177,491 square metres (sq.m.) in gross floor area (“GFA”) and recorded contracted sales of RMB2.853 billion, represented a year-on-year growth of 99.32% and 92.37% respectively. For the first eight months of 2018, the Group sold properties with an aggregate of 1,450,696 sq.m. in GFA. The accumulated contracted sales during the period grew by 116.84% year on year to RMB15.696 billion, which means accomplishment of 52.3% of the full-year contracted sales target of RMB30 billion.

Contracted sales in July rose by 99.32% year on year to RMB2.853 billion

To mark its 20th anniversary in August, Fantasia Real Estate Group conducted a sales-boosting plan that called for coordination of work on five elements, including the target cities, Fantasia, projects, customers and staff. At each property project, efforts were made to seek new customers, including the introductions made by the existing customers and recommendations made by the staff, and they yielded results. In terms of specific projects, Xiangmendi in Chengdu recorded contracted sales of RMB867 million for the three days after it was launched; Jiatianxia in Tianjin and Lakeside Eden in Guilin recorded contracted sales of RMB163 and RMB111 million respectively, which continued to indicate good sales performance. In addition, the Group’s other property projects such as Zhihui City in Chengdu, Jiatianxia in Shenzhen and Hailrun Complex in Nanjing also recorded outstanding sales performance.

In August, Fantasia’s contracted sales grew by 92.4% year on year to RMB2.853 billion and its contracted GFA sold increased by 99.3% year on year to 177,491 sq.m., showing that momentum of high growth had been maintained since the beginning of this year. The growth rate far exceeded the average growth rate of 52.5% recorded by the country’s top 100 property developers (Source: EHConsulting). At the same time, the month-on-month increase of 85.8% in the Group’s contracted sales far exceeded the month-on-month average growth of 1.3% recorded by the country’s top 100 property developers (Source: EHConsulting). Moreover, the average selling price (“ASP”) continued to remain high, reaching RMB16,074 per square metre in August. All the data show that the Group’s contracted sales grew in both volume and value. For the period from January to August, the Group sold GFA of 1,450,696 sq.m. under contracts and recorded contracted sales of RMB15.696 billion. The Group led the industry in terms of contracted sales growth by recording a year-on-year growth of 116.84%.

Fantasia Real Estate made its first foray into market of Kunming and boosted community’s commercial activities there

On the evening of 18 August 2018, the project team of Kunming Lakeside Eden under Fantasia Real Estate Group organized and held a conference titled “Blossoming in China, Blooming in Yunnan” in Kunming Haigeng Auditorium, which is next to the Dianchi Lake. Mr. Pan Jun, Chairman and Chief Executive Officer of Fantasia Holdings Group, Mr. Liu Zongbao, President of Fantasia Real Estate Group, Mr. Xia Dingwen, General Manager of Kunming Fantasia Real Estate Company Limited, the chiefs of the city management committees of Anning City and Taiping New City, reporters of mainstream media in Yunnan, representatives of professionals of the property sector and prospective customers were among the about one thousand people who attended the conference. In the event, Taiping New City’s plan for future development was presented and Kunming Lakeside Eden was introduced to the audience. The property project marked Fantasia Real Estate’s first foray into the market of Kunming.

Located at the core part of Taiping New City, the site of the property project covers approximately 540 mu, with a total planned gross floor area of approximately 1.14 million sq.m. The site is endowed with unique topographical features and natural resources as it is adjacent to a world-class valley of approximately 550 mu and Xishan Forest Park. There are four kinds of landscape in the community, which are perfectly integrated with the lake, shores, roads and forest. Paths there are flanked by the sea of flowers in four seasons. Also, the combination of lake, natural and man-made landscapes shows the harmonious coexistence of humans and nature.

Fantasia chose to develop a property project in Kunming Taiping New City because of the excellent natural environment and the huge area which are suitable for outdoor activities, and the businesses of health and education. Moreover, the well-developed transportation network there can also make the city a magnet for white-collar workers.

The Group completed the integration of Wanxiangmei and constructed a comprehensive community-based service platform

Wanxiangmei is a comprehensive property management enterprise which provides services for tenants or owners of residential properties and the tenants who engage in various types of businesses in commercial properties. After the transformation led by the Group, the revenue and profit of Wanxiangmei have greatly surged, laying a solid foundation for the Group's move to adapt its properties to various types of businesses. In the first half of 2018, the acquisition of Wanxiangmei enabled the Group to extend its business of community-based services to commercial properties such as those of SOHO and office buildings. Such commercial properties complement the residential properties in the Group's customer base. This has not only increased the gross floor area of properties under the Group's management but also enrich the types of properties under its management, thus enhancing the effects of the economies of scale and synergies.

Driven by the consolidation of Wanxiangmei in Colour Life's financial statement, for the six months ended 30 June 2018, revenue of Colour Life grew by 135.3% year-on-year. Gross profit increased by 82.5% year-on-year to RMB619.6 million. Net profit increased by 65.7% year-on-year to RMB191.1 million from RMB115.3 million in the corresponding period of 2017.

As at 30 June 2018, GFA of properties under Colour Life's management and covered by its consultancy services increased by 15.2% year-on-year to 484.0 million sq.m. The number of residential communities under its property management and consultancy services contracts increased by 9.4% year-on-year to 2,555. Among which, the number of the revenue-generating contracted GFA reached 333.6 million sq.m. and the number of revenue-generating communities covered by Colour Life's property management services reached 2,062. Colour Life's property management properties were located in 249 cities in China and Singapore and achieved rapid expansion in contracted GFA.

Besides, Colour Life enables its online platform to serve more communities and families which were not covered by the property management services of Colour Life, which is realized by making its online platform accessible to the communities and families which were being served by other property management firms who were Colour Life's business partners. This strategy has already yielded results during the Period. The value-added community-based services with Colour Life's characteristics have been further refined, the move has yielded results in terms of effectiveness and efficiency of the online platform. As at 30 June 2018, the area of properties covered by Colour Life's online platform reached 981.4 million sq.m., including the contracted GFA of 484 million sq.m. under Colour Life's property management contracts and 497.4 million sq.m. covered through Colour Life's cooperation with more than 64 other property management companies.

Fantasia and Colour Life held conferences to announce their interim results for 2018

Fantasia and Colour Life held their interim results for 2018 in the afternoon of 23 August at Four Seasons Hotel Hong

Kong. The Group's revenue in the first half of 2018 increased by 42.8% year-on-year to approximately RMB5.2 billion. Gross profit increased by 18.8% year-on-year to approximately RMB1,318 million for the Period. Profit for the Period increased by 15% year-on-year to approximately RMB180 million. Profit for the Period attributable to owners of the Company increased by 26.5% year-on-year to RMB103 million. During the Period, both revenue and profit delivered favourable growth.

The Group's gross profit margin for the Period decreased slightly to 25.4%, compared with the 30.5% for the corresponding period in 2017. The gross profit margin decreased mainly because the Group launched property projects of lower gross profit margin to meet the rigid demand. Such projects included Nanjing Fantasia Town (pre-sale price: RMB7,000), Guilin Lakeside Eden (pre-sale price: RMB5,000) and Chengdu Grand Valley (pre-sale price: RMB12,000). The gross profit margin of the property management business decreased due to the consolidation of Wanxiangmei's operating results into the Group's financial statement. Wanxiangmei mainly provides property management services through subcontracting. The Group also recorded an exchange loss of RMB260 million. The Group would have achieved better operating results if the exchange loss was excluded.

As for Colour Life, it recorded a revenue of RMB1,756.9 million, up 135.3% year on year for the first six months ended 30 June 2018. Its gross profit increased by 82.5% to RMB619.6 million and its gross margin was maintained 35.3%, higher than industry average. Profit attributable to the owners of the company increased by 74.1% to RMB175.3 million, compared with RMB100.7 million the corresponding period in 2017. Revenue from value-added services increased by 91.7% year on year to RMB212.3 million, contributing 40.5% of the overall segment profit with the gross profit margin maintained at the level of 71.8%. The cumulative number of registered users of the Group's online platform reached about 14.51 million, up by 252.1% year on year, and the number of active users increased by 56.0% year on year to 3.798 Million. The cumulative gross merchandise value ("GMV") of Caizhiyun APP reached RMB4.358 billion for the six months ended 30 June 2018, up by 82.1% year on year.

The Group provides elderly care services in apartments on long leases

As to the business of operating rental apartments on long leases, Pan Jun said at the Group's interim announcement conference, "Fantasia has been preparing itself for the business of operating rental apartments on long leases as housing for the elderly. We have changed our business plan by cancelling the unbuilt hotel projects in Chengdu and Suzhou. Instead, we will build housing for the elderly there. In the next three years, we will focus on the development and operation of rental apartments with nursing care for the elderly on long leases in communities. We will start investing in the project in the second half of this year.

"We will also launch such rental apartments on long leases in Shenzhen." Mr. Pan said. Fantasia plans to launch its elderly care service in two phases. In the first phase, it will provide institutional elderly care service. Fantasia prepares to launch its institutional elderly care service in Beijing this year and in Shanghai next year.

Fantasia has been providing the institutional elderly care service for seven years in Chengdu. It estimates that each bed requires investment of RMB150,000 and the total cost of the project each year is over RMB100 million. In this line of business, existing hotels will be converted to the required properties. As for the community-based nursing care, Fantasia has provided the on-site service for 150,000 times for over 6,000 elderly people. If this kind of service is made available to all the 2 million elderly people who are living in the communities under Fantasia's management in the future, there will be a market of RMB20 billion five years later.

In terms of its services business, Fantasia's elderly care services in Chengdu mainly involves low-cost services including home rehabilitation, cleaning and feeding, etc. Each year, each elderly person receives the Group's elderly care services 200 times, with average spending of no more than RMB30 each time. That means that each elderly person will only need to pay less than RMB10, 000 annually.

At the same time, Fantasia team's three elderly care facilities which are based in Chengdu have been operated for seven years. Fantasia has cooperated with local hospitals in setting standards for its elderly care services. The elderly

care services is now positioned as part of the Group's community-based services, and can be developed into another growth driver in Fantasia's community-based services like Colour Life.

The company's business will blaze a trail with its two-pronged growth strategy

In the second half of the year, developments of different provincial and municipal property markets will become more divergent and the consolidation of the property sector will accelerate. Municipal governments will continue with city-specific policies on property market regulation. Fantasia will keep abreast of the market trends, and forge ahead with its "Community+" strategy, with equal emphasis on real estate development and community-based services. Under this strategy, the Group will build intelligent communities to promote smart life. This will enrich the community-based services, thus contributing to a better future of the communities and generating better returns to shareholders.

In terms of community business, Mr. Pan Jun said, "In 2018, Colour Life achieved significant progress. On one hand, the Group's transformation from a conventional property management firm into a provider of community-based services has gradually yielded results, and its value-added services have become the main growth driver. On the other hand, Wanxiangmei was officially integrated into Colour Life in the first half of 2018. Although we have already become the largest community-based service platform in the world, there is still a lot of space for each business segment to expand. It will take some time for the Group to build home owners' trust as it was transforming from a mere collector of management fees to a 'housekeeper', and implementing basic property ordering. The Group has also leveraged "Colour Benefit Life" so that it can diversify into various kinds of value-added services. We always bear our original aspiration in mind, that is, we are determined to enable communities to live a good life by providing services for them with a human touch."

- End -

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

For more information, please contact:

iPR Ogilvy & Mather

Tina Law / Gary Li / Joseph Zhou / Wing Chak / Joann Fang / Jessie Gao / Venetia Ngai

Tel: +852 2136 6181 / 3170 6753 / 3920 7649 / 3920 7619 / 3920 7634 / 3920 7637

Fax: +852 3170 6606

Email: fantasia@iprogilvy.com