

## Fantasia presses on with “Community+” strategy for building ecosystem of businesses

With equal emphasis on asset-light business model and investment in property development,  
the company integrates financial services into various businesses.

It speeds up the execution of business plan as it aspires to become a leading industrial and financial holding group

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**Contracted sales grew by 5% year on year to 5,053 million**

**Gross profit margin maintained at a relatively high level of 30.5%**

**Revenue from asset-light business segment significantly increased**

### Financial & operating highlights:

- Pursuing the “Community+” strategy for establishing an ecosystem of businesses, Fantasia took the execution of the strategy to a new level. The Company placed equal emphasis on asset-light business model and investment in property development, and integrated financial services into its various businesses. It sped up the execution of the business plan as it aspired to become a leading industrial and financial holding group with as community-based services its key businesses.
- **Contracted sales grew by 5% year on year to 5,053 million**
  - The Group’s contracted sales in 1H2017 increased by approximately 5.0% to approximately RMB5,053 million from approximately RMB4,811 million for the corresponding period in 2016, which was in line with the pace of project launch and the Group’s expectation. The cities including Guilin, Wuhan, Huizhou, Nanjing and Chengdu etc, marked outstanding results. The Group is confident to accomplish its full-year contracted sales target of RMB 15.0 billion.
  - Revenue was approximately RMB3,637 million. The decline was attributable to the decrease in the number and GFA of developed properties delivered because of the projects development and completion schedule. Thanks for the success of the first phase of corporate strategic transformation, it is the Group’s first time to achieve over 40% of revenue from asset-light businesses.
  - Profit for the Period was approximately RMB156 million. The decrease was mainly due to the decrease in the revenue and increase in the finance costs.
  - Gross profit margin maintained at a relatively high level of 30.5%, as compared to industry average level.
  - As at 30 June 2017, the planned GFA of the Group’s landbank amounted to approximately 15.95 million sq.m. and the planned GFA of properties with framework agreements signed amounted to 8.85 million sq.m.. Landbank in first-tier cities accounted for 35.6% of the total landbank.
- **Health financial development with strong cashflow**
  - The Group successfully capitalized on the windows of the offshore capital market by launching 2 debt financial projects and issuing a total of USD650 million worth of senior notes, to raise fund through rational financing leverage for the Group’s business development.
  - To further optimize the debt structure, in January 2017, the Group early redeemed USD300 million worth of US dollar-denominated senior notes due 2019.
  - By the end of June 2017, the Group’s cash and bank balance was RMB9,816 million.

- **Follow the "asset-light and heavy" strategy to developing into an "Industrial and Financial Group"**
  - **Colour Life** expanded the GFA under its management to 420 million sq.m. in aggregate in 2,335 projects, with a year-on-year growth of 16.7% and 99 projects respectively.
  - GFA under Colour Life service platform's management amounted to 849 million sq.m. Revenue from value-added services rose by 55.1% year on year to RMB111 million with the gross profit margin recorded 84.5%, which contributes to 30.1% of the Colour Life's segment profit.
  - **Home E&E's** projects were located in 38 core cities across the country and achieved operating profit of RMB49 million in 1H2017.
  - Other business segments, including the **Financial Group, Business Management, the Culture and Tourism Group, Futainian** and the **Education Group** were in good business progress and meeting the management's expectations.

(25 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), the largest community service platform in China, today announced its unaudited interim results for the six months ended 30 June 2017 (the "Period").

Amid changes in the overall market, the Group seized market opportunities to boost sales by promoting hot-sale products, with a view to accelerating cash turnover to satisfy its capital needs for rapid growth while securing a price premium at the same time. Regional branches in Guilin, Wuhan, Huizhou, Nanjing and Chengdu had strong performance. **Fantasia recorded a total contracted sales area of 641,441 sq.m and total contracted sales of RMB5,053 million, a year-on-year increase of 43.1% and 5.0% respectively. Benefiting from the new project launch of Shenzhen Jiatianxia, Chengdu Jiatianxia and Chengdu Xiangmendi etc in the second half of this year, the Group is confident to accomplish its full-year contracted sales target of RMB15.0 billion.**

During the period under review, the Group's revenue and profit for the Period were approximately RMB3,637 million and RMB156 million respectively. Basic earnings per share was RMB1.41 cents. The year on year decline in gross profit and net profit were due to the decrease in GFA of developed properties delivered which subject to the projects development completion schedule. However, the Group maintained a relatively high level of gross profit margin of 30.5%, as compared to industry average level.

The Group has maintained a healthy financial development. As at 30 June 2017, the Group's cash and bank balance amounted to RMB9,816 million. It successfully capitalized on the windows of the offshore capital market by issuing USD350 million and USD300 million worth of 364-day and 5-year senior notes, respectively, to raise fund through rational financing leverage for the Group's business development. In addition, the Group early redeemed USD300 million worth of US dollar-denominated senior notes in order to further optimize the debt structure and reduce financial costs.

#### **Seizing market opportunities by launching bestselling products; quick collection of proceeds from sales**

The amount of contracted sales for the Group's real estate business was mainly attributable to 34 projects (including Wuhan Fantasia Town, Suzhou Lago, Tianjin Meinian, Chengdu Longnian International Center, Guilin Lakeside Eden and Huizhou Kangchengsiji) in 14 cities such as Wuhan, Chengdu, Guilin and Huizhou. The Group exceeded its performance targets for the Period in the Wuhan-based Central China market, Chengdu-based Chengdu-Chongqing market, Shenzhen-based Pearl River Delta market and Shanghai-based Yangtze River Delta market.

Regarding the landbank, 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, Shenzhen, Wuhan and Chengdu, which enjoy strong market potential and are capable of delivering rich returns. As at 30 June 2017, **the planned GFA of the Group's landbank amounted to approximately 15.95 million sq.m. and the planned GFA of properties with framework agreements signed amounted to 8.85 million sq.m.** Regions in both Pearl River Delta and Chengdu-Chongqing Economic Zone are the largest proportion, accounting for 44.1% and 35.2% of the total land bank in terms of aggregate planned GFA.

### **Colour Life continued to strengthen its competitive advantage in community-based services; Value-added services contributed to 30.1% of Colour Life's profit**

**Colour Life** (HKEx stock code: 1778), a Fantasia subsidiary, continued to expand the area of properties under its management and maintained rapid growth through receiving carte and acquisitions in the first half of 2017, and further strengthened its market competitiveness and enhanced brand reputation in the industry. As at 30 June 2017, it had a total contracted management area of 420 million sq.m. and was serving a total of 2,335 communities in 214 cities. It has built up nationwide business presence, covering such regions as Eastern China, Southern China, Northwest China, Southwest China, Northeast China, Northern China, Central China, Singapore and Hong Kong.

As at 30 June 2017, the number of registered users of Caizhiyun increased to 4.121 million, of which 2.434 million were active users, increased by 91.7% and 114.8% respectively as compared to the end of June 2016, with the percentage of active users remained high at 59.1%. The Gross Merchandise Volume (GMV) of Caizhiyun platform amounted to RMB2,393.5 million; **the revenue from its value-added business amounted to RMB110 million, representing a year-on-year growth of 55.1% and with a high gross profit margin of 84.5%. Such revenue, which contributed 30.1% of Colour Life's profit**, was the second largest source of revenue and profit. In the first half of 2017, Colour Life's core products "Two Colours" continued to maintain rapid growth. As at 30 June 2017, the newly cumulative turnover for the year of "Colour Wealth Life Value-added Plan" amounted to RMB1,970 million. Meanwhile, Colour Life also entered into cooperation agreements regarding Colour Life Residence with 36 developers, making a shift from typical one-off house sale of developers to the sales pattern of "House Plus Services". The total house sales of Colour Life Residence reached 2,743 units.

### **Home E&E accelerated its business development; Strong management capability is the core competence in furthering development in the future**

The Group's subsidiary **Home E&E** (Stock code: 834669.OC) has established presence in 38 core cities nationwide. It operates in such cities as Shenzhen, Changsha, Chengdu, Tianjin, Guilin and Nanjing, initially forming a strategic business landscape covering China's core regions, including North China, Central China, East China, South China, Southwest China, and Northwest China. In the first half of 2017, **it acquired 27 new projects with a new management area of 2.33 million sq.m., and recorded a operating profit of approximately RMB49 million.**

### **With equal emphasis on asset-light business model and investment in property development, the company integrated financial services into various businesses; it sped up the execution of business plan as it aspired to become a leading industrial and financial holding group**

"Qian Sheng Hua", an online financial platform of the **Community Financial Group**, covering the mainstream online channels such as personal computers and app-based mobile phones. In the first half of 2017, the number of registered users of Qian Sheng Hua increased by 445,400, bringing a total investment of RMB4,092 million. In the first half of 2017, "Heying" financial leasing and factoring business landed a batch of renowned clients, making breakthroughs in new energy and new technology sectors, and recorded a total contract value of over RMB400 million. Zhong An Xin, an insurance broker, had built up new teams for its business lines and business development. It is vigorously advancing and consolidating its business lines and expects to yield fruits therefrom in the second half of the year.

**Fantasia Business Management** undertook entrusted asset management projects in a more active manner to build up urban key projects. It has undertaken over 30 such projects in such provinces as Tibet, Jiangxi, Jilin, Jiangsu, Sichuan, Zhejiang, Guangdong, Hunan and Guizhou. In particular, Nanjing OMG Mall recorded an occupancy rate of over 90% and marked a commercial landmark in the local market. "Jiangsu Yangzhou Joy Commercial Plaza", "Jiangsu Yangzhou Libao Commercial Plaza" and "Lhasa Fantasia World Outlets" have opened for business. In addition, Yangzhou Jiangwang Peninsula and Kunming Lingxiu Town have been scheduled to open for business, and more than 10 projects including Hunan Yongzhou Spring Square are being developed.

In the first half of 2017, in an effort to promote the business development of FuNian Jet Aviation in an all-round manner, **Cultural and Tourism Group** applied for trademark registration and business license for FuNian Jet Aviation and achieved initial results. FuNian Jet Aviation is principally engaged in aircraft escrow, charter flights and special tourism projects while developing aviation maintenance, aviation training and other related business. For hotel business, in the first half of 2017, it repositioned its "U Hotel" brand in New York by renovating Hotel 373 Fifth Avenue to enhance the international reputation of U Hotel, which will facilitate the development of its asset-light management business.

In the first half of 2017, **Futainian** continued to refine its elderly care business that combines institutional care services, community care services and home care services. In terms of institutional care services, the occupancy rate of Fulin Retirement Home remained at over 90%.

In the first half of 2017, **the Education Group** achieved rapid business growth. In June, the second child growth experience center in Dongguan, Guangdong Province was put into operation, signifying the growing influence of its community education in South China. Vocation education trains high-quality family service personnel to help families and continuously delivers high-quality service talents to serve communities through Internet-based community sharing model and new community interaction patterns. It designed a series of new products and services and launched an online platform in the first half of 2017.

### **Summary**

**Mr. Pan Jun, Chairman of Fantasia** said, "As a community-based integrated service operator, Fantasia must develop together with the community-based services industry. Under the Group's "community+" strategy, the eight major businesses within its ecosystem pursue cross-industry integration and the consolidation of key resources so as to provide comprehensive services for customers throughout a human life cycle. In the future, we will continue to build up our 'community-based services platform', "smart communities" and "community-based payment system" to enhance the value of the Group's assets. We endeavour to become a leading community-based services operator that creates value for customers and 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 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 214 cities in mainland China, namely – financial services, Colour Life Group, property development, international commercial community services, cultural and tourism, commercial services, senior citizen services and education. 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](http://www.cnfantasia.com)

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