



## **CCXAP affirms Fantasia Holdings Group Co., Limited long-term credit rating at A<sub>g</sub>, with stable outlook**

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Hong Kong, 08 December 2017 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) has affirmed the long-term credit rating of Fantasia Holdings Group Co., Limited (“Fantasia”) at A<sub>g</sub>. The rating outlook is stable.

### **Rating Rationale**

The A<sub>g</sub> rating of Fantasia Holdings Group Co., Limited (“Fantasia” or the “Company”) is underpinned by the Company’s (1) increasing revenue from property-related services segments; (2) prudent land bank policy with low land costs; and (3) stable credit metrics and good funding capability. However, the rating is also constrained by the Company’s (1) decreasing revenue from property development activities; (2) weakening liquidity position due to an increase in short-term debt.

### **Rating Outlook**

The stable outlook on Fantasia’s rating reflects our expectation that the Company will strengthen its focus on developing residential properties while continue to increase share in the property-related services segments.

### **What could upgrade the rating?**

The rating could be upgraded if the Company (1) further grows contracted sales; (2) records substantial growth in revenue and profit generated from property-related services segments; and (3) improves its credit metrics.

### **What could downgrade the rating?**

The rating could be downgraded if the Company’s (1) revenue and profitability continue to drop; (2) debt leverage increases and interest coverage decreases; or (3) liquidity profile further deteriorates.

### **Rating Methodology**

CCXAP’s public ratings are available at [www.ccxap.com](http://www.ccxap.com) (Rating Results) and may be distributed through media and other means. The methodology used in this rating is Global Rating Methodology for Real Estate Development Industry dated May 2017, available at [www.ccxap.com](http://www.ccxap.com) (Rating Process -> Rating Methodology).

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