

Monthly Newsletter---July 2014

## **Driven by Dual Capital Drivers, Fantasia Shifts Towards A light-asset Model at a Faster Pace**

### **Business Review**

Following the listing of Colour Life Services Group Company Limited on the Main Board of Hong Kong Stock Exchange, both the efficiency of Fantasia's capital operations and the premium gained from the brand have received a significant boost and the industry coordination strategy for its eight business segments has been fully upgraded. After the listing on 30 June, Colour Life Services Group has been shining in the capital market and is well recognized by peers. Multiple property companies have proposed cooperation plans that Colour Life will leverage to accelerate its pace of acquisition. As of the end of July, the total area managed by Colour Life exceeded 170 million square meters and Colour Life's leading position in the industry has been more pronounced.

The listing of Colour Life has also facilitated the expansion of other business segments. Hehenian Online, an internet financial platform which Fantasia has been building in earnest, has seen a surge in new registered users of the community and in July which fulfilled its full-year membership development target ahead of time. The market development of the financial leasing business is gathering momentum, as several of its indicators have showed superior growth. As to the international commercial property segment, the Property International Company have signed property management agreements on several large-size properties including Changfu Jinmao Tower, Chongqing Tencent Building and

Longquan Yongbang. It has also made a further breakthrough in diversifying its property service. Fantasia Shuangziqiao Day Care Center was completed construction in July and officially started provision of service, which indicate the smooth operation of home-based elderly care stations. With the upcoming launch of elderly care apartments, Fantasia's community senior citizen services starts to unfold its potential.

At present, Fantasia has comprehensively completed a business strategic layout based on the mobile internet and client database era. Fantasia's eight major business sectors, including properties development, Color Life residential community service, community financial service, international commercial property, cultural and tourism, community commercial services, senior citizen services and community education industry, strategically hinged on the Group, and start to enter into a stage of whole industry synergy.

In July 2014, Fantasia's real estate business developed steadily and achieved the contract sales of approximately RMB475 million and corresponding GFA sold of approximately 74,981 square meters, which represented a year-on-year increase of approximately 23.06% and 44.07% respectively. As of 31 July 2014, the Company has recorded accumulated contract sales of approximately RMB2.275 billion and accumulated GFA sold of 359,096 square meters.

**Accumulated Contract Sales Amounts and Area Sold for 2014 (up to 31 July 2014)**

City	Project Name	Product Type	GFA Sold (sq.m.)	Sales Amount (RMB0'000)
Chengdu	Love Forever	Mid-to-high residence	631	276
	Meinian Plaza	Urban complex	5,847	6,267

	Huahao Garden	Mid-to-high residence	10,198	4,765
	Future Plaza	Urban complex	6,408	7,240
	Fantasia Town	Mid-to-high residence	55,610	26,187
	Funian Plaza	Urban complex	160	122
	Grande Valley	Boutique upscale residence	7,415	8,430
	Long Nian International Plaza	Urban complex	38,450	19,076
Dongguan	Mont Conquerant	Boutique upscale residence	98	116
Tianjin	Flower Country	Boutique upscale residence	2,341	2,819
	Love Forever	Boutique upscale residence	15,335	11,238
Huizhou	Huiyang Special Town Project	Mid-to-high residence	39,263	21,246
	Love Forever	Mid-to-high residence	9,825	4,433
	Kang Town	Mid-to-high residence	7,846	5,077
	Xiangxie Garden	Mid-to-high residence	400	260
	Cuiya Garden	Mid-to-high residence	200	135
	Palm Garden	Mid-to-high residence	843	545
Suzhou	6# project	Boutique upscale residence	1,475	1,159
	4# project	Boutique upscale residence	2,297	2,829
	Special Town	Boutique upscale residence	32,930	19,552
Wuxi	Love Forever	Boutique upscale residence	22,898	15,689
	Hairun Complex	Urban complex	6,051	4,889
Dali	Art Villas	Mid-to-high residence	1,734	881

Guilin	Fantasia Town	Urban complex	32,160	16,989
	Lakeside Garden	Boutique upscale residence	24,369	13,732
Shanghai	Beilun Ningbo	Boutique upscale residence	11,251	11,151
Singapore	Singapore Project	Boutique upscale residence	179	1,848
Wuhan	Love Forever	Boutique upscale residence	22,884	20,500
<b>Total</b>			<b>359,096</b>	<b>227,454</b>

### **Social Responsibility**

While deliver regular and stable returns to shareholders and investors, Fantasia also continues to provide an interesting, tasteful and colorful living space and experience for our customers. The company integrates the social responsibility into the enterprise development strategy, actively participating in social activities, for example the promotion on development of public art. In 21 July, Knowledge•Gallery invested by Fantasia which is located in Laojun Mountain, Chengdu had launched the opening ceremony, feathering Ms. ZENG Jie Baby, the founder of Fantasia, who had a discussion on topics including “how to explore the interaction between human and nature, human and other species through architectural means” with Kengo Kuma, the architect of ZHI Art Museum, and Kenyahara, the chief graphic designer and curator. Afterward, the Gallery held its first exhibition “Design: for our beloved dogs”. In the future, Knowledge•Gallery will be built into a significant platform for art communication, exhibition, research and an art education base in China. The company will continue to explore the professionalization and institutionalization of public good based on the Fantasia Public Welfare fund, and strive to become a significant force on advancing the progress society and sustainable development in the industry.

### **Business Outlook**

Recently, quite a few cities phased out house purchase quota policy and signs of monetary and credit easing started to appear. Such factors are expected to help the market bottom out and stabilize, and Fantasia's property group will employ more flexible marketing strategies in August.

In line with Fantasia's industry synergy strategy, currently "e-finance" launched by Hehenian has seamlessly linked with the property proprietors served by Colour Life. Fantasia's lease finance company cooperates with Colour Life to launch car washing project, and also works with Cultural Tourism Grande Valley and Futainian Community Elderly Nursing Home for future planned lease finance projects; Futainian plans to combine health management service with Colour Life's "Big Data" system; and Property International also works with Colour Life to develop projects.

**Mr. PAN Jun** commented that, as the idea of "individual work" is very difficult to accommodate the market competition and the Group's business development. Fantasia, driven by "double capital" and under the centralized Group management and control, will give full play to Fantasia's advantages in industry, management and brand, promote strategic synergy and resources integration capabilities, with a view to co-build China's largest community service business platform.

*Note: Data in this newsletter is unaudited and is subject to change.*

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