

**Monthly Newsletter 2014.9**

**Turning from Product-oriented to Platform-oriented Pattern  
Fantasia Sped up the Integration of Eight Business Segments**

In September 2014, Fantasia Group launched its overall light-asset transition strategy from “product thinking” to “platform thinking”, with expedited coordination and integration of eight business segments, after the listing of Colour Life Services Group Co., Limited on the main board of The Hong Kong Stock Exchange.

China’s real estate market emerged a series of profound changes since September after being suffered from a prolonged macro-control. With new policies relating to the real estate market intensively issued by the Central and local governments and continuously in-depth adjustment of house purchase restriction policy on the real estate market, over 40 cities throughout the country successively removed such restrictions. As rumor of deregulation of housing finance spread, the People’s Bank of China and China Banking Regulatory Commission released documents to adjust housing loan policy in a reasonable manner.

The housing policy adjustment facilitated the release of demands in certain extent. Fantasia Real Estate Group seized the opportunity of “window period” and achieved remarkable results of speeding up de-stocking with flexible pricing policy. In September, it achieved the contracted sales of gross floor areas (“GFA”) of 237,915 sq.m. and the contracted sales amount of RMB1,701 million, representing a year-on-year increase of 75.44% and 91.12% respectively and a month-on-month increase of 56.35% and 63.03% respectively as compared with August, which hit a record high monthly sales amount, mainly attributable to the contribution of the regional core cities such as Chengdu, Tianjin, Ningbo, Suzhou, Wuxi and Wuhan. As of 30 September 2014, Fantasia Real Estate Group achieved accumulated GFA of 747,718 sq.m. and contracted sales amount of RMB5,020 million within the year.

**Accumulated Contacted Sales Amount and Area Sold for 2014 (as of 30 September 2014)**

1.City	Project Name	Product Type	GFA Sold (sq.m.)	Sales amount (RMB0'000)
Chengdu	Love Forever	Mid-to-high residence	698	292
	Meinian Plaza	Urban complex	11,412	12,234
	Future Plaza	Urban complex	15,923	17,579
	Fantasia Town	Mid-to-high residence	106,114	48,057
	Funian Plaza	Urban complex	160	122
	Grande Valley	Boutique upscale residence	33,895	29,794
	Mont Conquerant	Boutique upscale residence	2,028	1,043
	Long Nian International Plaza	Urban complex	61,766	30,556
Dongguan	Mont Conquerant	Boutique upscale residence	98	116
Tianjin	Flower Country	Boutique upscale residence	8,211	9,764
	Love Forever	Boutique upscale residence	27,340	19,744
Huizhou	Huiyang Special Town project	Mid-to-high residence	57,443	31,894
	Love Forever	Mid-to-high residence	10,205	4,673
	Kang Town	Mid-to-high residence	23,633	15,625
	Xiangxie Garden	Mid-to-high residence	608	386
	Cuiya Garden (TCL remaining)	Mid-to-high residence	238	161

	building)			
	Palm Garden	Mid-to-high residence	873	555
Suzhou	6# project	Boutique upscale residence	19,299	13,282
	4# project	Boutique upscale residence	5,943	6,873
	Special Town	Boutique upscale residence	81,482	48,096
Wuxi	Love Forever	Boutique upscale residence	50,941	32,953
	Hairun Complex	Urban complex	39,542	28,391
Dali	Art Villas	Mid-to-high residence	1,734	881
Guilin	Fantasia Town	Urban complex	46,272	29,282
	Lakeside Garden	Boutique upscale residence	53,934	31,518
Shanghai	Beilun Ningbo	Boutique upscale residence	33,186	31,458
Singapore	Singapore Project	Boutique upscale residence	273	2,800
Wuhan	Love Forever	Boutique upscale residence	54,467	53,858
<b>Total</b>			<b>747,718</b>	<b>501,987</b>

As stated by Mr. Pan Jun, the Chairman and CEO of the Company, with the slogan of “Market Plays Vital Role in Resources Allocation” put forward by the government in its new session, it was an irresistible trend for the real estate market to advance toward market orientation and the remove of administrative measures in succession would further release market demands, so as to facilitate the recovery of market transaction. According to the plan, Fantasia Real Estate Group will

comprehensively increase newly launched properties in the fourth quarter and the Company is confident to achieve the sales target of RMB10 billion in the year. Mr. Pan Jun also pointed out that although real estate industry would generally maintain stable in the future, “platform thinking” would supersede “product thinking” after concluding from the fact that, in the business transition from Nokia and Motorola to Samsung and Apple, only light asset will be the prospect of real estate enterprises. According to the light-asset strategy transition plan, Fantasia Real Estate Group started to spin off the business into property fund and the construction agency company, which initiated a brand new business development model.

In the area of business management operations, the light-asset business management model featured by Fantasia commenced to present its early form. Within the system, Nanjing Yuhuatai Project has gradually started to operate in September, with an occupancy rate of 90% and Guilin Huashengtang Project has an occupancy rate of 75%. Chengdu Pixian Outlets Project, a shopping centre with high-end international brands, entered into contracts with ihaveu.com in September for introduction of over 20 international first-tier brands and achievement of online and offline crossover cooperation, which initiated a brand new business cooperation model. Meanwhile, Suzhou and Chengdu Hongtang Projects, which have larger scale, more plentiful business activities and higher position, are intensely preparing to be launched. In addition, Business Management Company also took over business planning, attracting investment and operation management projects which are not within the Fantasia system, including Yangzhou Jielong Project which has carried out comprehensive cooperation, and two newly-added entrusted management projects in Hefei and Changsha in September. Within the year, Business Management Company planned to take over eight light-asset management output projects and achieved a large excess over annual performance indicators.

In the finance segment, focused on expanding community finance continuously, the finance sector of Fantasia gradually carried out innovative cooperation with various business segments of Fantasia Group. Its online P2P loan business launched in-depth cooperation with Colour Life. In September, the promotion in Colour Life community has begun on a large scale and the number of registered users increased by over 6,000 in the same month. As of the end of September, the number of registered users of the platform exceeded 25,000 and the cooperation framework was established with the community senior healthcare segment and international property. Its finance leases business

continued to expand in the cross-border financing business and the business covered the whole country, including provinces in the Northeast, Beijing, Yunnan, Guangxi, Sichuan, Jiangxi, Hunan, Hubei and so forth, which aimed to help promote the nationwide popularity. The development of the non-bank financing channels was carried out at the same time.

Besides, the senior healthcare segment also took advantage of the platform of Fantasia to enhance the resources integration and cooperation with other business segments. By cooperating with the finance segment, the product of the “Interest Pension” was introduced jointly to help the elderly to enjoy the service in a better payment method.

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

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