

花样年  
FANTASIA

针对花样年商业模式创新的调性定位 有趣

针对花样年商业品牌独特的调性定位 有味

针对花样年商业模式内涵丰富的调性定位 有料

大海的眼睛 | 草间弥生 | 布面丙烯 | 约1970年代作 | 45.5x38cm | 真宝艺术基金会 BAO COLLECTION

有力 / 有戏 / 有价值



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# 2021 Interim Results Highlights



## Contracted Sales

RMB **28.12** Bn  
up 60.6% YoY

## Total Revenue

RMB **10.95** Bn  
up 18.5% YoY

## Property Development Revenue

RMB **8.37** Bn  
up 26.3% YoY

## Net Profit

RMB **303** MM  
up 9.5% YoY

## Net Profit Attributable to Owners of the Company

RMB **153** MM  
up 58.7% YoY

## Net Gearing Ratio

**74.8%**  
Sound financial position

## Newly Invested Projects

**1.07** MM m<sup>2</sup>  
Replenishing land bank to ensure enough saleable resources

## Planned Land Bank

**38.43** MM m<sup>2</sup>  
Abundant land bank to empower future growth

## Urban Renewal Projects

**20.94** MM m<sup>2</sup>  
Rooted in the Greater Bay Area





# Steady Increase in Contracted Sales

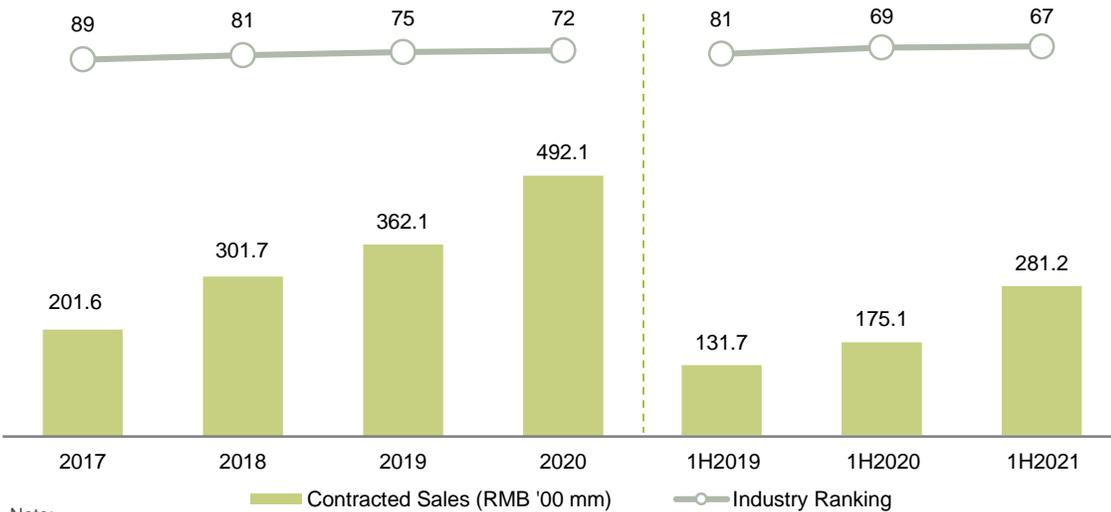


**2021 1H Contracted sales of RMB 28.12Bn  
up 60.6% YoY**

**2021 1H Contracted area of 1.74 MM m<sup>2</sup>  
up 28.2% YoY**

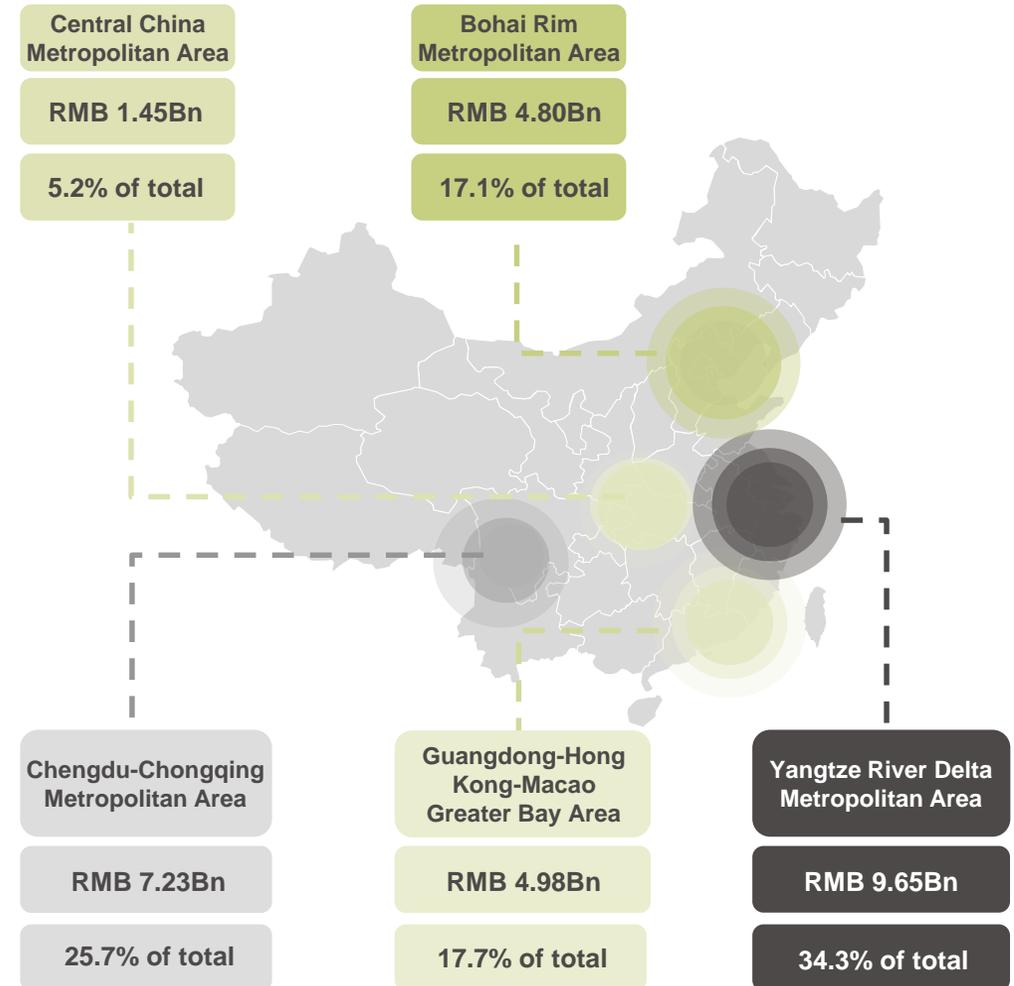
**2021 1H Average selling price of RMB16,198/m<sup>2</sup>  
up 25.3% YoY**

Sales and Industry Ranking in Recent Years <sup>(1)</sup>



Note:  
1. Industry ranking data is sourced from CRIC China

Breakdown of Contracted Sales in 2021 1H by Region

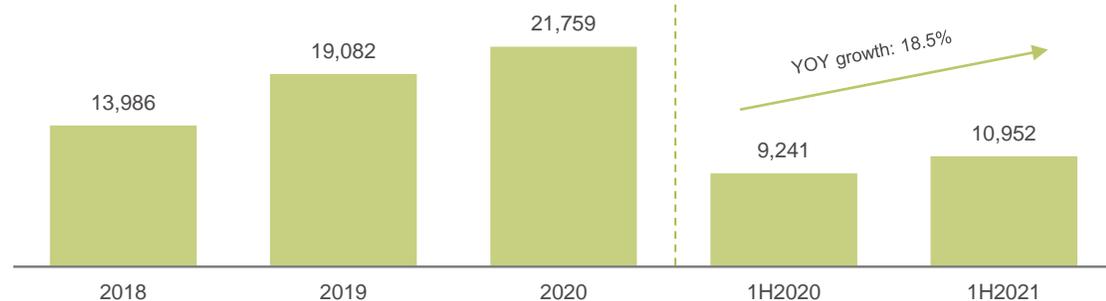


# Steady Increase in Revenue and Earnings



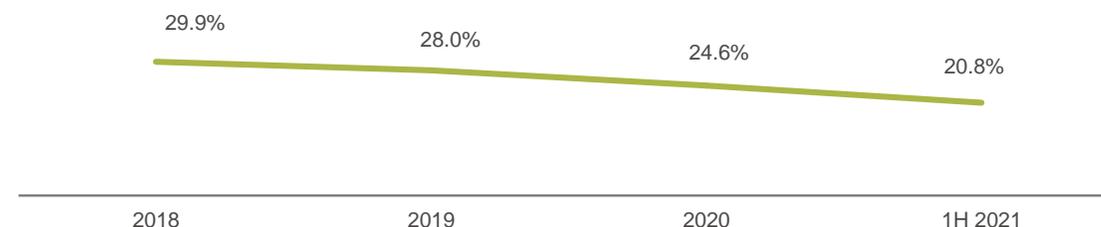
## Total Revenue

RMB MM



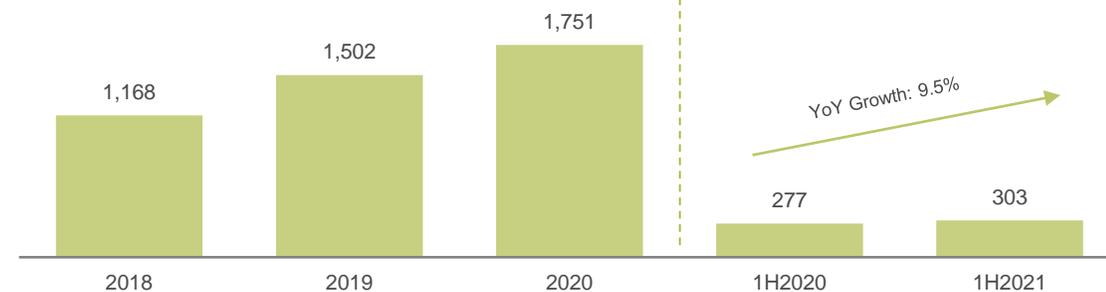
## Gross Margin

%



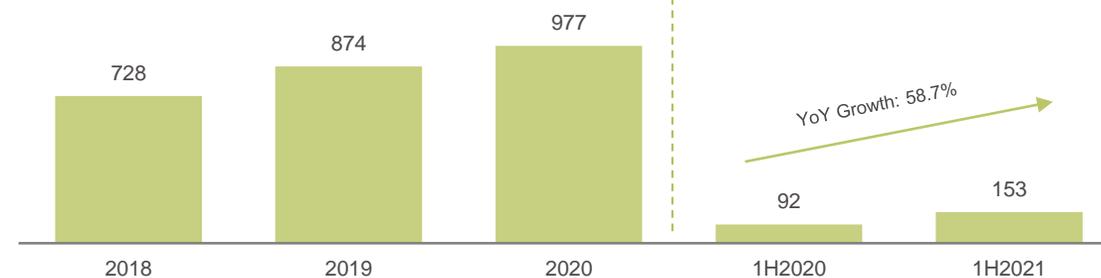
## Net Profit

RMB MM



## Net Profit Attributable to Owners of the Company

RMB MM



# Simultaneous Advancement of “Property Development + Community Service”



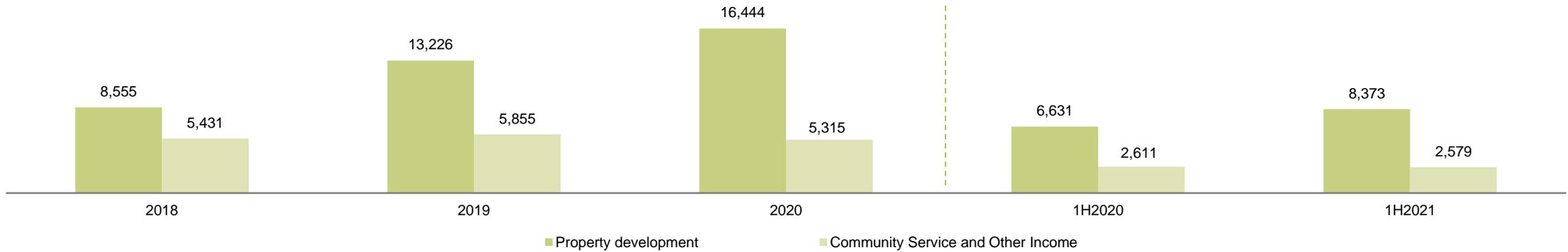
## Property Development Revenue

- 76.5% of total revenue
- Increase of 26.3% year over year, becoming the catalyst of future income growth

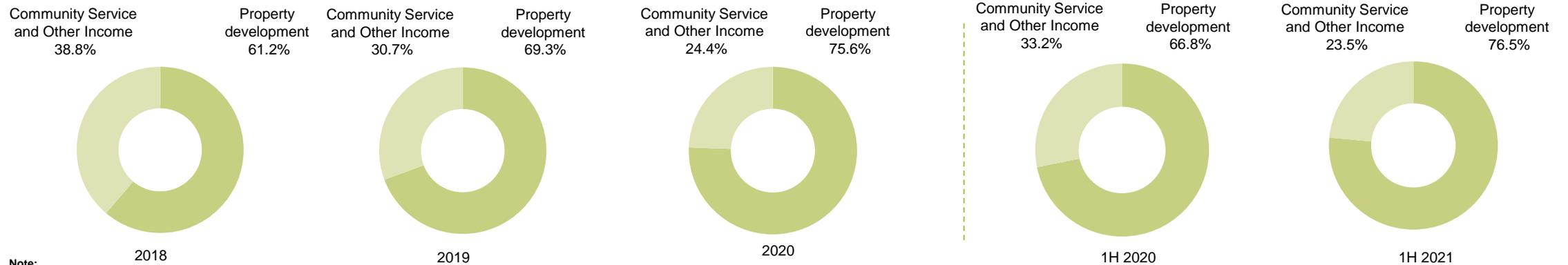
## Community Service and Other Income<sup>(1)</sup>

- 23.5% of total revenue
- Becomes the "stabilizer" of cash inflow

RMB MM



## Total Revenue Breakdown



Note:

1. Community service and other income includes revenue from property investment, property agency, property operation and other business except for property development

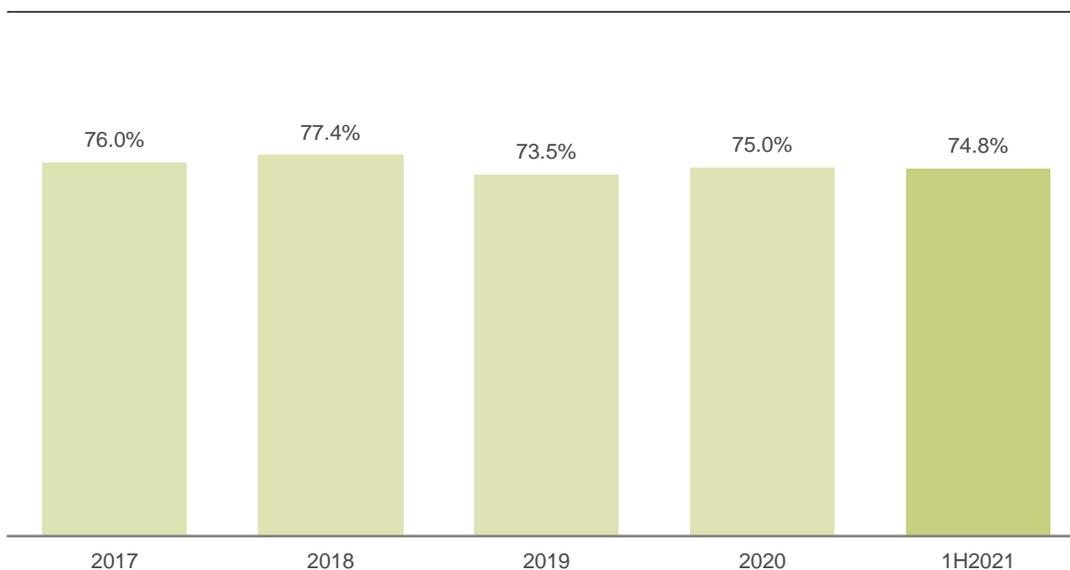


# Solid Financials

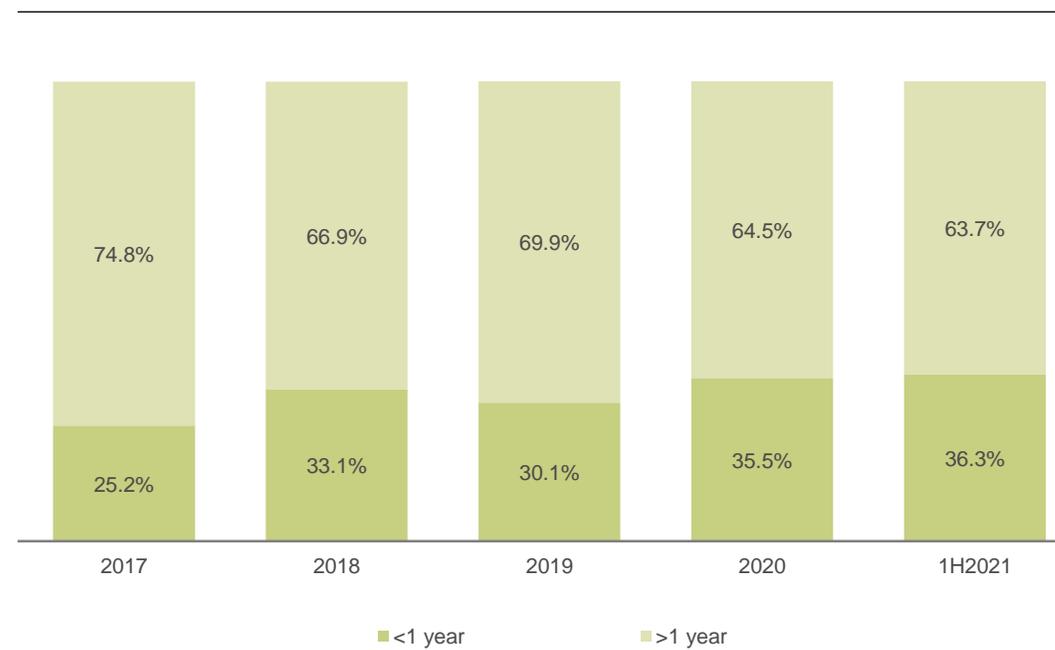


RMB MM	2017	2018	2019	2020	1H 2021
Bank balances and cash	16,442	28,570	23,044	28,631	31,583
Total debt	29,896	43,624	38,173	46,865	51,488
Net assets	17,698	19,455	20,592	24,323	26,615
Net debt / net assets	76.0%	77.4%	73.5%	75.0%	74.8%

Net Debt / Net Assets



Debt Structure by Maturity

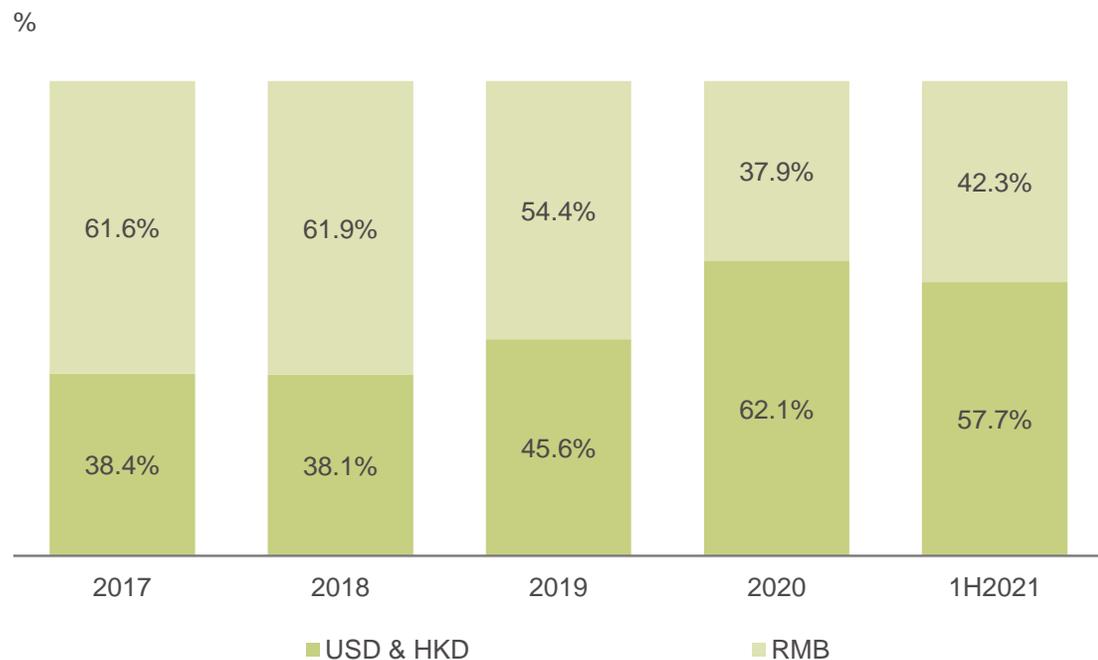


# Optimizing Debt Structuring

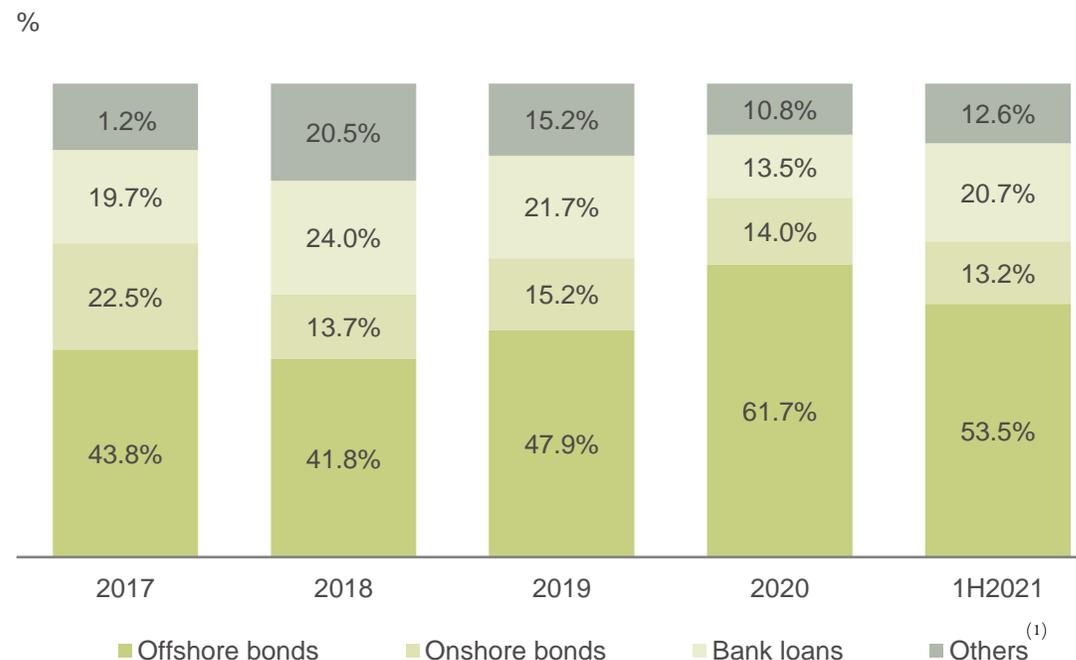


- In the first half of 2021, Fantasia proactively optimised its financial structure and made significant breakthroughs in obtaining credit facilities from domestic and overseas banks, broadening its financing channels
- A number of domestic development projects were granted bank development loans, as a result of which the proportion of bank loans to total loans increased to 20%
- Fantasia was granted an overseas loan facility of HKD1.1 billion by Chiyu Bank; and Color Life was granted a syndicated loan facility of US\$150 million

Debt Structure by Currency



Debt Structure by Type



Note:  
1. Others includes Trust, PE, Finance Lease, ABS and other financing tools

# Active Liability Management



- The Board and the management paid great attention to such phenomenon, and proactively conducted communication with the investors and implemented a series of debt management measures, such as carrying out repurchases and making offers to repurchase in secondary markets



## Recent Liability Management Actions

1

### Continuously carrying out bonds repurchases in secondary markets:

Repurchases of USD52.1 million by the Company + purchases of USD17.4 million by the controlling shareholder

2

### Successful completion of the offer to repurchase USD288 million

Reducing the amount of the USD bonds due October to USD212 million

3

### Successful issuance of three-year USD bonds:

Demonstrating the strong confidence in Fantasia's financial solidity and long-term development by the capital market

4

### Loan facilities of HKD1.1 billion granted by Chiyu Bank:

Achieving the exploration of overseas financing channels and the optimisation of financing structure



## Next-phase Debt Management Plans

1

### Regarding offshore bonds due October:

Provision of funds in readiness for due repayment

2

### Regarding offshore bonds due December:

Repayment to be made out of our own funds, the sources of which include funds at hand and disposals of bulk assets

3

### Regarding RMB950 million bonds due December:

Re-financing commenced

4

### Regarding USD bonds due 2022 and 2023:

Early adoption of methods such as repurchase offer and offer exchange to manage its debt and improve its debt maturity profile



# Seizing Market Opportunities to Effectively Expand Land Bank

- Since 2021, in order to cope with new changes brought by the policy of centralised land supply, the Group has implemented specific measures for targeted land acquisition to effectively replenish inventories
- In the first half of the year, there were 6 pieces of land newly acquired, with increases in GFA and attributable GFA by approximately 1.07 million sq.m. and approximately 540,000 sq.m., respectively, the total land premium and attributable land premium of which amount to approximately RMB10.3 billion and approximately RMB6.2 billion, respectively
- Total salable value and attributable salable value of inventories increased by approximately RMB19.8 billion and approximately RMB10.7 billion, laying a solid foundation for future sales growth

## Breakdown of newly acquired land in 2021 1H

	Project	City	Timing of acquisition	% of interests	Partner	GFA (sq.m.)	Attributable GFA (sq.m.)	Total land premium (RMB billion)	Attributable land premium (RMB billion)
1	Yubei Huixing 123	Chongqing	Mar-21	33.21%	Yuexiu Property Helenbergh	146,983	48,813	0.56	0.186
2	Shunde Beijiao Xijiaocun 112	Foshan	Mar-21	34.00%	MIDEA Excellence	241,310	82,045	1.67	0.568
3	Chongqing Xiyong 68 (centralised land supply)	Chongqing	Apr-21	100.00%	--	118,549	118,549	1.03	1.03
4	Nanhai Dali 104	Foshan	Apr-21	34.00%	Dickson C&D	203,154	69,072	2.072	0.705
5	Hangzhou Binjiang 73 (centralised land supply)	Hangzhou	May-21	100.00%	--	182,304	182,304	3.268	3.268
6	Miyun 88 (centralised land supply)	Beijing	May-21	23.00%	Uni-Construction Shokai CIFI	177,008	40,712	1.738	0.400
						<b>1,069,308</b>	<b>541,496</b>	<b>10.338</b>	<b>6.156</b>

# Focusing on Five Major Areas with Notable Achievements in Building up new Land Bank



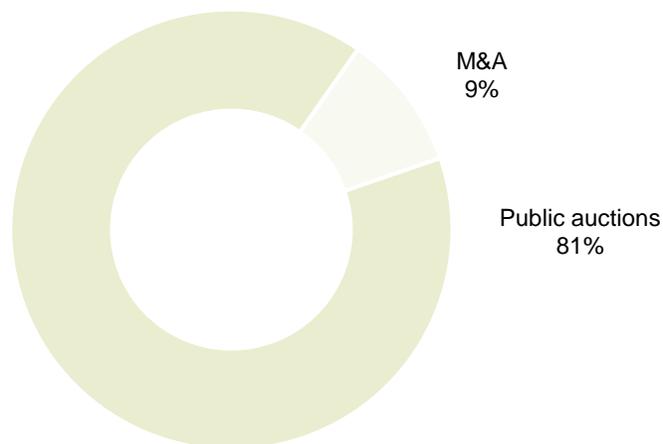
Since 2019, the Group has acquired 32 parcels of land in total, achieving notable results in building up new land bank

- Expand its vertical strategic move in all five major metropolitan areas, with heavy investments in the Yangtze River Delta Metropolitan Area, Chengdu-Chongqing Metropolitan Area, Guangdong-Hong Kong-Macao Greater Bay Area and Jing-Jin-Ji Metropolitan Area
- Strategically expand into Ningbo, Hangzhou, Shaoxing, Nantong, Yangzhou, Chongqing, Foshan, Beijing, Zhengzhou and other economically developed cities
- Acquire lands primarily through public auctions and partly through M&A projects
- Focus on small and medium-size projects, with an average GFA of 180,000 sq.m., so as to shorten turnaround time

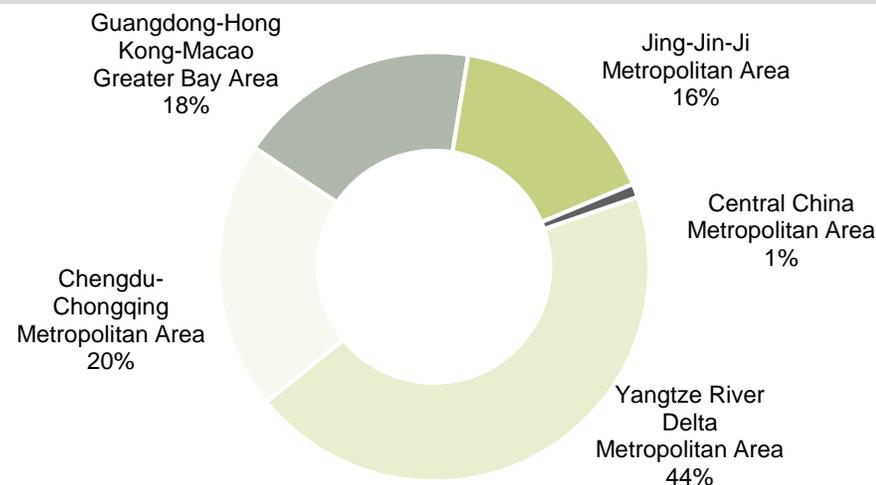
Areas prioritised	Cities prioritised (number in parentheses indicates the number of lands new acquired from 2019 until now)
Yangtze River Delta Metropolitan Area (9)	Ningbo (3), Hangzhou (2), Nanjing (1), Shaoxing (1), Nantong (1), Yangzhou (1)
Chengdu-Chongqing Metropolitan Area (12)	Chengdu (9), Chongqing (3)
Greater Bay Area (4)	Foshan (4)
Jing-Jin-Ji Metropolitan Area (6)	Beijing (3), Tianjin (1), Qingdao (1), Zhangjiakou (1)
Central China Metropolitan Area (1)	Zhengzhou (1)

## Composition Analysis of land newly acquired since 2019

Distribution of land acquisition channels (based on the number of projects)



Area Distribution (based on total land premium)



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# Adapting to Policy Changes and Achieving Targeted Land Acquisition from Multiple Resources



## Strategy I: Public auction and merger & acquisition - targeted acquisition of high-turnover projects

- **Targeted land acquisition:** Optimise investment decision-making process and establish quantitative financial criteria for investments to achieve more accurate analysis on projects
- **Clear-defined land profile:** Plot ratio  $\leq 2.5$ : potential for product premium growth; aggregate land price of less than RMB1.5 billion and land reserve of less than 150,000 sq.m.: quick turnaround strategy
- **Sticking to “5+N” regional strategy:** 5 core strategic areas + N = 20 targeted cities
- **Strong alliances:** Strengthen cooperation with outstanding developers, and share resources through strong alliances

## Strategy II: Urban renewal – acquisition of quality lands in the Greater Bay Area

- **Consolidation:** Continue to solidify its leading position in urban renewal sector in Shenzhen and Dongguan
- **Expansion:** Strengthen advantages in acquisition of urban renewal projects and explore projects in the Greater Bay Area (ex-Shenzhen)
- **Acceleration:** Accelerate project turnaround time and provide high-quality sales projects

### Three-pronged approach

## Strategy III: Renovation of old buildings - showcasing product premium potentials

- **Revenue enhancement:** Acquire old buildings in premium areas of the first-tier cities to create lucrative investment return through old building renovation and upgrading and our brand effect
- **Successful cases:** Shanghai Wunan project, Shanghai Luwan project
- **Target cities:** Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Wuhan

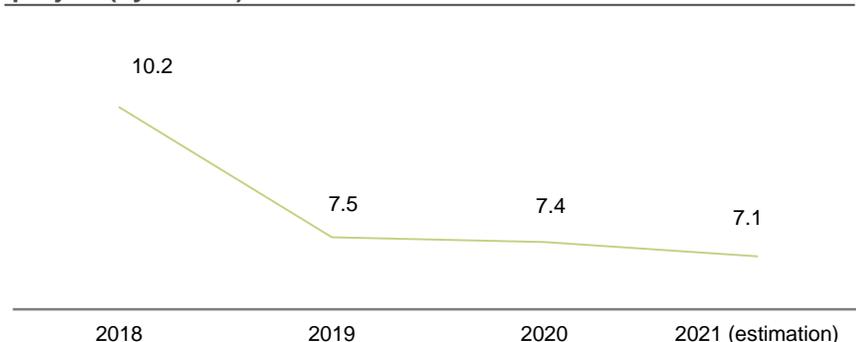


# Accelerating Project Development to Achieve High Turnover

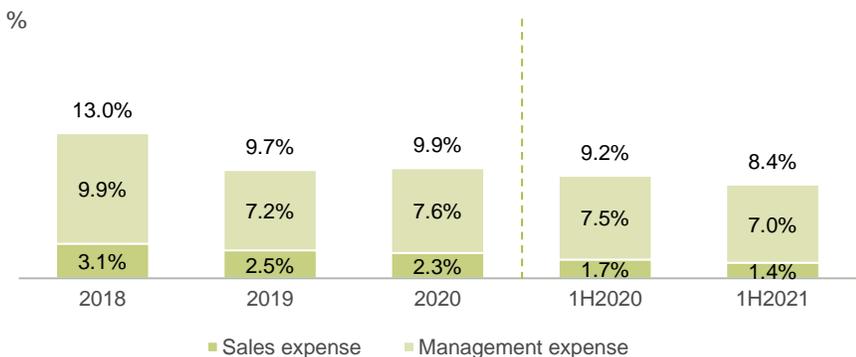


- Operational efficiency was significantly accelerated during the period through strict schedule control on project development, as a result of which, the cycle from land acquisition to launch of project is expected to be shortened to 7.1 months during the year
- In the second half of 2020, all land acquisition projects commenced sale; and it is expected that, most of the projects acquired in the first half of 2021 will be launched within 2021 and contribute to the sales

The shortening of the cycle from land acquisition to launch of project (by month)



Sales & management expenses / revenue



All land acquisition projects were launched in the second half of 2020



**Zhengzhou Good Time**

Land acquisition: Jul 2020  
Project Launch: Nov 2020



**Foshan Yunjing**

Land acquisition: Jul 2020  
Project launch: Feb 2021



**Ningbo Emerald Residence**

Land acquisition: Nov 2020  
Project launch: Jun 2021



**Yangzhou Rongyuechunxiao**

Land acquisition: Dec 2020  
Project launch: Jul 2021

Land acquisition projects in the first half of 2021 are expected to be launched in the fourth quarter



**Foshan Good Time**

Land acquisition: Mar 2021  
Project launch: 4Q2021



**Chongqing Huixing 123**

Land acquisition: Mar 2020  
Project launch: 4Q2021



**Chongqing Xiyong 86**

Land acquisition: Apr 2021  
Project launch: 4Q2021



**Foshan Dali 104**

Land acquisition: May 2020  
Project launch: 4Q2021

# Enhancing Marketing Capability: Refined Management and Accelerated Sales Proceeds Collection



## Sales process:

Formulate sale strategy and incentives policy to accelerate sales proceeds collection



## Post-sale process:

Require financial staff of all regional branches to accelerate cash collection from sales proceeds



## Staff performance appraisal:

Increase the importance of cash collection rate in staff performance appraisal



## Regional branch performance appraisal:

No task indicator attainment reward if fail to achieve the established cash collection target

Adjust marketing strategy in a flexible manner due to the outbreak of the pandemic



## Conducting promotion campaign via various channels

Conduct promotion campaign via mainstream online media such as RED, Tik Tok, WeChat Moments through online marketing 2.0 system and Fantasia GO platform, establishing the “online matrix and offline peer-to-peer” marketing pattern



## Timely adjustment and flexible response

Make adjustments to the marketing strategy in a flexible manner according to the pandemic situation of various cities, changes in the macro regulation policy, and the product characteristics, customer profile, inventory structure and other factors

Outstanding results from online marketing

**20%**

Percentage of contracted sales through Fantasia Go platform in the sales amount of projects operated by the Company



# Improving Product Quality: Outstanding Projects under the “Joyful-Tasteful-Meaningful” Product Lines



The new product lines (i.e. “joyful”, “tasteful” and “meaningful”) of Fantasia focused on the lifestyle concept and space demand of various customers rather than the traditional rigid demand and improving demand. Through thorough analysis of the locality and modernity of each project, Fantasia created a separate storyline for each project based on the characteristics and spiritual needs of the targeted customer group, and presented its products through the combination of art and technology, so as to improve the overall core competitiveness of its products



A number of quality projects featuring the unique product characteristics of Fantasia have been launched since the beginning of 2021, which received great attention and extensive recognition from the market. Chongqing Hockney’s Good Time under the “joyful” series was launched in June, and the first batch of products were sold out within two hours after the launch, while Foshan Guangyayuan under the “tasteful” series was launched in April, recording an impressive sale of over RMB1 billion in just one month

Joyful

Chongqing Hockney’s Good Time



Tasteful

Foshan Guangyayuan



Meaningful

Shanghai Wunan 396



有 趣 / 有 味 / 有 料

# Strengthening Brand Recognition: Promotion of Brand Concept Supported with Targeted Marketing Efforts

- Initiating a second startup while staying true to its original aspiration: hold fast to our brand concept and corporate vision of “being interesting, tasteful and resourceful”, and adopt a long-term approach to continue the enhancement of our core competence to promote our brand concepts and gain market recognition, so as to strengthen our brand influence
- Enhancing product value: enhance the brand labels and value such as “arts”, “renovation” and “soul spirit” through brand strategies and marketing efforts, and empower the products to improve product quality and expand product premium growth potential
- Enhancing brand promotion capabilities: enrich the promotion matrix of traditional media + new media, and further implement the brand concepts: Inclusive – cross-sector interaction; Outstanding – marvelous and wonderful; Attractive – distinctive and unique with elegant design, refined quality and loving care

## 花样年集团（中国）有限公司 曾小姐办公室文件

花集曾 [2021] 18号

### 黄谷家书 | 花样创造价值

各位花花：

立秋已过，暑去凉来，万物成熟。

正值行业变革时期，于二次创业的花样年而言，如何应对，如何破局，是机遇更是挑战。

经历起伏的人生才能更加强大。

花样年依然主张先行，超越平庸，坚持前瞻性、常识性、长期主义，我们坚持的，市场认可的，是我们必然持续不断要去做，更是回归初心的态度，从未变过。

风大雨大打伞了，这也要求所有花样年人必须拧成一股绳，上下同心，坚定、坚守企业文化价值观，一样的脚步，一样的无限。

来，大家和我一起重温花样年的故事，不忘初心，花样创造价值。



无题 | 六角彩子 | 2018 | 亚克力画布 | 100.5 x 100 cm | DAO COLLECTION

1900

花样年集团（中国）有限公司曾小姐办公室

2021年8月11日印发



## 中国房地产企业 销售额TOP100

2021年1-6月



排名	企业名称	销售金额 (亿元)
28	苏宁置业	84.13
29	美的置业	84.09
30	花样年	83.35
31	绿地控股	82.93
32	中梁地产	82.67
33	中骏集团	82.18
34	合生创展	81.89
35	华发股份	81.34
36	弘阳地产	80.98
37	富力地产	80.68
38	卓越集团	80.23
39	龙光集团	79.68

Fantasia was ranked 30<sup>th</sup> in the “China TOP 100 Real Estate Developers in terms of Brand Promotion Strength in the First Half of 2021” (《2021上半年中国房地产企业品牌传播力TOP100》) released by Lingxianzhishu Institute of House China (地产中国领先指数研究室), was ranked 19<sup>th</sup> in the “Top 50 Official Video Accounts of Real Estate Enterprises in terms of Influence Index for March 2021” (《2021年3月房企官方视频号影响力指数50强》) and was ranked 24<sup>th</sup> in the “Top 50 Official Video Accounts of Real Estate Enterprises in terms of Influence Index for April 2021” (《2021年4月房企官方视频号影响力指数50强》) released by ifeng.com and Fengcaixun (凤财讯)

## 2021年3月房企官方视频号 影响力指数30强

排名	视频号	活跃天数	视频热度	视频关注度	综合指数
18	太古地产	5	62.1	60.7	441.2
19	花样年集团	3	60.1	67.4	430.8
20	建发房产/建发国际	1	60.0	62.1	430.4
21	美盛地产集团	14	50.9	55.2	429.0
22	雅居乐集团	8	56.3	57.6	428.2

22	美的置业	8	57.4	66.1	452.7
23	越秀地产	9	58.3	61.1	452.4
24	花样年集团	2	65.4	69.4	452.3
25	正荣地产旗舰店	2	69.3	65.2	451.6
26	康桥地产	7	57.5	64.7	448.9



花样年潘军新春贺词，2021  
2021年02月05日 17:56  
👁 8.8万 ❤️ 2045 💬 8



🎤 花样年CEO直播间开唱！  
2021年04月22日 21:15  
👁 7.2万 ❤️ 1720 💬 98



好吃不懒，有趣有味胃口够大，生活  
样年集团官方抖音号4月22日15:00：  
CEO请饭  
2021-04-21 09:55

点赞量	评论量	分享数	播放量
3823	59	35	107.8w
+3804	+57	+35	+1077137



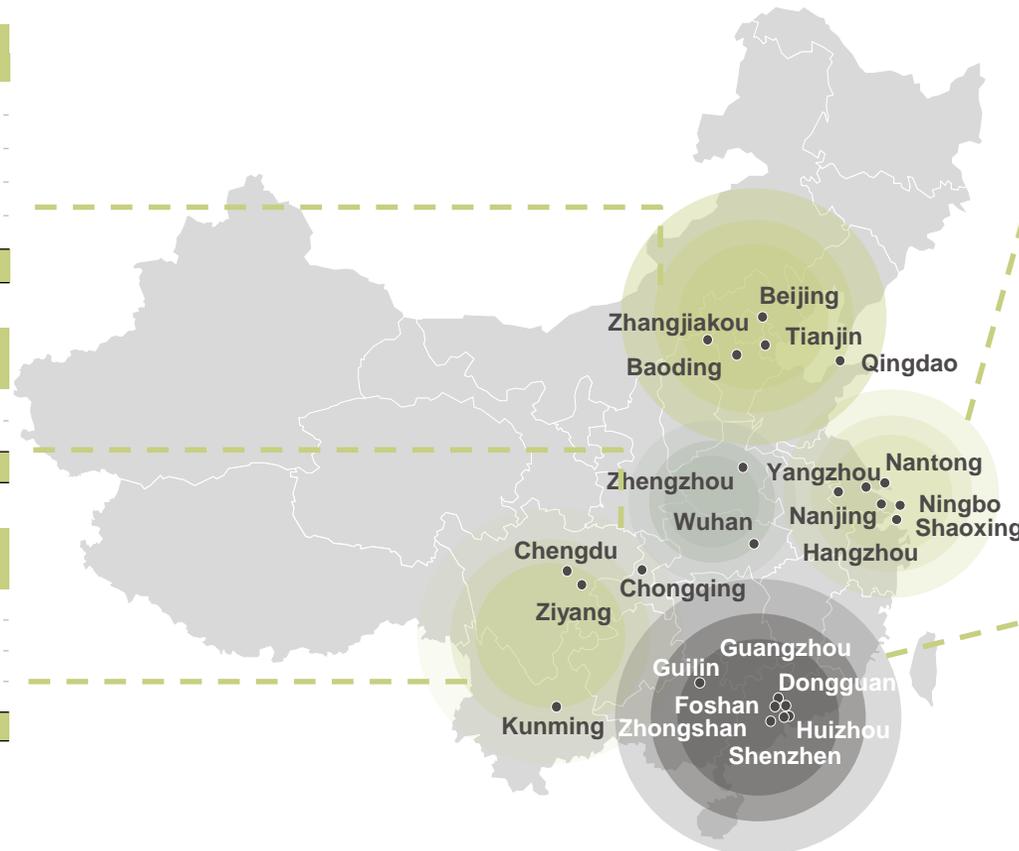
# Abundant Land Bank to Support Future Growth

- As of 30 June 2021, the planned land bank GFA of the Group was 38.43 MM m<sup>2</sup> including:
- 17.49 MM m<sup>2</sup> of confirmed GFA where the land bank is concentrated in five major metropolitan areas of China, with first- and second-tier cities accounting for over 90%
- 20.94 MM m<sup>2</sup> of land bank is situated in Guangdong-Hong Kong-Macao Greater Bay Area, especially in the six core cities

Bohai Rim Metropolitan Area		
City	GFA (m <sup>2</sup> )	%
Beijing	416,158	1.08%
Tianjin	368,629	0.96%
Baoding	64,525	0.17%
Zhangjiakou	527,641	1.37%
Qingdao	5,592,926	14.55%
<b>Subtotal</b>	<b>6,969,879</b>	<b>18.14%</b>

Central China Metropolitan Area		
City	GFA (m <sup>2</sup> )	%
Wuhan	1,136,893	2.96%
Zhengzhou	149,785	0.39%
<b>Subtotal</b>	<b>1,286,678</b>	<b>3.35%</b>

Chengdu-Chongqing Metropolitan Area		
City	GFA (m <sup>2</sup> )	%
Chengdu	3,179,112	8.27%
Ziyang	290,012	0.75%
Chongqing	443,760	1.15%
Kunming	982,823	2.56%
<b>Subtotal</b>	<b>4,895,707</b>	<b>12.74%</b>



Yangtze River Delta Metropolitan Area		
City	GFA (m <sup>2</sup> )	%
Nanjing	176,303	0.46%
Hangzhou	515,206	1.34%
Ningbo	533,236	1.39%
Shaoxing	385,377	1.00%
Nantong	241,875	0.63%
Yangzhou	199,389	0.52%
<b>Subtotal</b>	<b>2,051,386</b>	<b>5.34%</b>

Guangdong-Hong Kong-Macao Greater Bay Area		
City	GFA (m <sup>2</sup> )	%
Shenzhen	7,858,213	20.45%
Huizhou	980,663	2.55%
Foshan	1,317,026	3.43%
Dongguan	9,883,051	25.72%
Guangzhou	1,476,755	3.84%
Zhongshan	962,717	2.51%
Guilin	722,395	1.88%
<b>Subtotal</b>	<b>23,200,820</b>	<b>60.38%</b>

**Note:**

1. The Group has a project under construction in Singapore with a total GFA of 22,759 m<sup>2</sup>, accounting for approximately 0.1% of the total land bank

# Policy Support for Urban Renewal Projects by Local Governments



- Key cities in the Greater Bay Area have introduced a number of policies since the beginning of the year, while Shenzhen, Guangzhou and Dongguan stepped up efforts in urban renewal
- In particular, Shenzhen promulgated the Regulation on Urban Renewal in Shenzhen Special Economic Zone which released the “dual 100%” restriction, and also issued the Several Measures to Further Increase Residential Land Supply, pursuant to which the usage of lands of renewal projects can be changed from commercial purpose to residence purpose. Urban renewal development has become a prevailing trend for the development of cities in the Greater Bay Area

City	Policy	Interpretation
Shenzhen	Outline of the 14th Five Year Plan of Shenzhen	Expand and upgrade the core urban areas. <b>Through urban renewal and land consolidation and preparation, it is expected to achieve direct land supply of 10 square kilometer</b> , land reserve of 40 square kilometer, comprehensive land consolidation of 45 square kilometer by 2025
	Regulation on Urban Renewal in Shenzhen Special Economic Zone	Following the implementation of the Regulation on 1 March, <b>Shenzhen has the relevant law in place for urban renewal projects</b> , requiring willingness of property owners who hold over 95% of the proprietary area and account for over 95% of the total number of owners to participate in urban renewal projects, <b>which is less exacting than the original “dual 100%” requirement</b>
	Several Measures to Further Increase Residential Land Supply (Draft for Comments)	<ol style="list-style-type: none"> <li><b>1. Conversion of unapproved renewal plans to residential purpose:</b> Lands intended for commercial purpose according to relevant announcement or drawings can be converted to residential purpose</li> <li><b>2. Conversion of approved renewal plans to residential purpose:</b> The commercial portion can be converted and sold as public housing while the original plan remains unchanged. As for projects located within 500 meters from the railway stations, adjustments can be made to the plan to increase floor area for residential purpose which shall be used as public housing</li> <li><b>3. Accelerated urban village transformation:</b> If the legal-land use ratio is less than 60% but over 30%, application can be made for expedient process, after which the buildings and lands involved shall be deemed as legal buildings and lands with clear ownership</li> <li><b>4. Stepped up efforts for old residential district redevelopment:</b> Redevelopment of old residential districts that meet the required conditions is encouraged</li> </ol>
Guangzhou	Outline of the 14th Five Year Plan of Guangzhou	During the 14th Five Year Plan period, Guangzhou will push forward the redevelopment of <b>183 urban villages</b> , 422 old districts and 306 old plants by phases
Dongguan	Operation Rules on Approval for the “1+N” Overall Implementation Plan of Urban Renewal Units (Projects) of Dongguan (Revised)	New changes in the “1+N” Plan of Urban Renewal Projects introduced the administration authority for the functional area, leading to a further simplified and optimised list of application documents and enabling <b>expedited approval process for urban renewal units (projects) in Dongguan</b>

# Rooted in the High-potential Greater Bay Area



- The Group has 50 urban renewal projects under various stages of development in the Greater Bay Area, most of which are located in Shenzhen, and also covering areas across Dongguan, Huizhou, Foshan, Guangzhou, and Foshan
- Estimated to have a planned GFA<sup>(1)</sup> of 20.94MM m<sup>2</sup>, the total inventory value<sup>(2)</sup> and saleable inventory value of RMB 467.1Bn and RMB 282.9Bn, respectively

Shenzhen		
Number of projects	Estimated GFA	Estimated total inventory value
27	7.28 MM m <sup>2</sup>	RMB212.1Bn

Outside Shenzhen		
Number of projects	Estimated GFA	Estimated total inventory value
23	13.66 MM m <sup>2</sup>	RMB255.0Bn



**Notes:**  
 1. Given the great uncertainties as to planning adjustments for urban renewal projects, the project information (including but not limited to the estimated GFA, total inventory value, and expected delivery time) is only internal statistics of the Company and can be subject to ongoing adjustment, while the final number will depend on the approval file from the government  
 2. The total inventory value includes the saleable inventory value and the value of relocation housing (which is calculated at market price); The sales unit price in the calculation of inventory value is conservatively estimated based on the market price level in 2020

# Well positioned in Urban Renewal Projects in Shenzhen



- The 27 projects cover virtually all districts of Shenzhen, including the planned GFA of ~7.28MM m<sup>2</sup>, accounting for ~35% of the total planned GFA of all urban renewal projects The inventory value is estimated to be ~RMB212.1Bn, accounting for ~45% of the total planned inventory value of all urban renewal projects
- The implementation of the "Regulations on Urban Renewal of Shenzhen Special Economic Zone" will allow Fantasia to have accelerated growth in Shenzhen with regards to urban renewal projects





# Well positioned in Urban Renewal Projects in Dongguan

- There are 12 major projects currently under development in Dongguan, the majority of which are located in areas in the vicinity of Shenzhen and in downtown Dongguan, boasting strong geographical advantages.
- Urban renewal in Dongguan requires capability in industrial operation. Fantasia has successfully built a dozen of industrial complexes for industrial servicing, and accumulated extensive experience and developmental advantages in industry-city integration and in assisting the government to achieve industrial upgrade



# Core Projects Expected to be Delivered



No.	Projects	Location	Estimated Salable GFA (m <sup>2</sup> )	Estimated Saleable Value (RMB MM)	Current Stage
<b>Projects Delivered in 2019</b>					
1	Pingshan World Plastic Factory Phase I	Pingshan, Shenzhen	142,681	575,764	Completed
<b>Projects Delivered in 2020</b>					
1	Meilin Yuehua Projects	Futian, Shenzhen	42,000	639,024	Completed
<b>Projects Expected to be delivered in 2021</b>					
1	Pingshan World Plastic Factory Phase II	Pingshan, Shenzhen	55,239	250,621	Demolition & Compensation
2	Longhua Yushi New Village Phase I	Longhua, Shenzhen	39,304	259,982	Application for special planning
3	Huizhou Xinguang Village	Ruhu, Huizhou	185,407	280,426	Land transfer plan submitted for approval
<b>Subtotal</b>			<b>279,950</b>	<b>791,029</b>	
<b>Projects Expected to be delivered in 2022</b>					
1	Longhua Yushi New Village Phase II	Longhua, Shenzhen	131,971	872,930	Application for special planning
2	Xinghua No.5 Building	Nanshan, Shenzhen	63,433	649,943	Application for special planning
3	Kuichong Small Plot	Dapeng, Shenzhen	170,315	621,415	Filing of collective asset transactions
<b>Subtotal</b>			<b>365,719</b>	<b>2,144,288</b>	

# Advantages of Fantasia in Urban Renewal



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As a pioneer in urban renewal, Fantasia has focused on urban renewal projects in the Guangdong-Hong Kong-Macao Greater Bay Area, especially in Shenzhen, cultivating six core advantages

 <p><b>Geographical Advantage</b></p>	<ul style="list-style-type: none"> <li>With 22 years of development in the Greater Bay Area, Fantasia has deep insights into urban renewal, is familiar with relevant policies and procedures, understands local culture, is adept at managing relationships with original landowners, and has won the trust and support of many partners</li> </ul>
 <p><b>Experience Advantage</b></p>	<ul style="list-style-type: none"> <li>Fantasia has independently developed various types of urban renewal projects with successful results, and has accumulated a wealth of experience in the process</li> </ul>
 <p><b>Team Advantage</b></p>	<ul style="list-style-type: none"> <li>Fantasia has a professional team of 150 people and has a sound management system for urban renewal</li> </ul>
 <p><b>Professional Advantage</b></p>	<ul style="list-style-type: none"> <li>After years of efforts, Fantasia has developed a mature valuation system for urban renewal business to accurately estimate the future value of each project by analyzing the difficulty level of urban renewal projects in different stages</li> </ul>
 <p><b>Resource Advantage</b></p>	<ul style="list-style-type: none"> <li>Fantasia has built a strong industrial real estate ecosystem through exploration and research and developed diverse capabilities in business collaboration and resource integration</li> </ul>
 <p><b>Cost Advantage</b></p>	<ul style="list-style-type: none"> <li>The cost of acquiring land for urban renewal projects is relatively low, with high expected investment return. At present, it is estimated that the average cost of acquiring land for Shenzhen projects is about RMB 14,500/m<sup>2</sup>, and that of projects outside Shenzhen is about RMB 5,000/m<sup>2</sup>, which is much lower than the public market price</li> </ul>

Two sessions of Shenzhen Urban Development Forum were successfully held by Fantasia to explore urban renewal in the Greater Bay Area and seek opportunities for win-win cooperation







# Building up Strengths to Unleash Potential

At present, housing construction and development in tier 1 cities has become saturated, while community service industry in tier 2, 3 & 4 cities is still in highly fragmented stage, which is a vast "blue ocean" for Color Life who is good at low-cost competition and with independent third-party expansion advantages



1

## Size advantage

- Industry leader in terms of business size and serving over 10 million property owners



2

## Workforce advantage

- We have trained a managerial business backbone team with extensive experience and strong capabilities after 19-year development since the Group's foundation



3

## Market-oriented operation advantage

- We have outstanding market expansion capability, with 99% of projects under management from third-party engagements



4

## Advantage in smart technologies

- We focused on technological empowerment and joined hands with JD.com and 360.com, two Internet titans, to explore value-added business



5

## Cost control advantage

- We have outstanding cost control capability which gives us unique advantages in competition as we can offer the best value-for-money services



6

## Brand advantage

- We have implemented the multi-brand development strategy, and have built up brands such as Colour Life, Wanxiangmei and Kaiyuan International that has established business presence in their own niche market

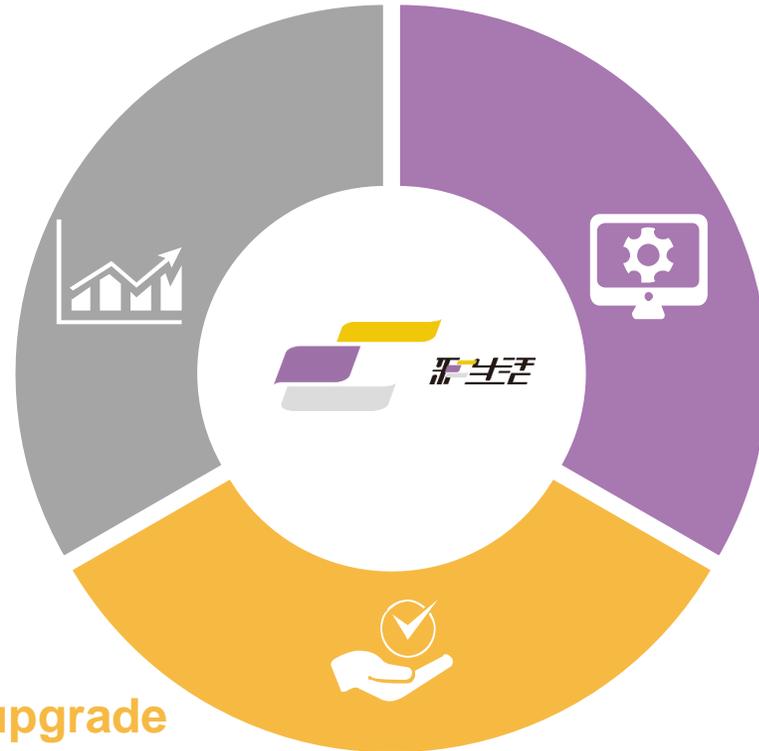


# Making Breakthroughs In Multiple Aspects To Sustain Growth



## Quality improvement

- ✓ Facility improvement : continue to promote the commencement of quality improvement projects
- ✓ Prompt response : make prompt response to clients' concerns
- ✓ Customised services customise our services to resolve pain points concerning quality
- ✓ Effective management : we carefully listened to the residents' concerns and expectations to realise the three dimensional management and control



## Scale expansion

- ✓ Increase revenue from existing projects: explore the development potential of existing projects to promote revenue growth
- ✓ Expedite new business: step up effort to develop new projects
- ✓ Differentiated competition: explore growth potential of land prices and achieve scale expansion
- ✓ Technical support: improve efficiency and reduce costs through technology

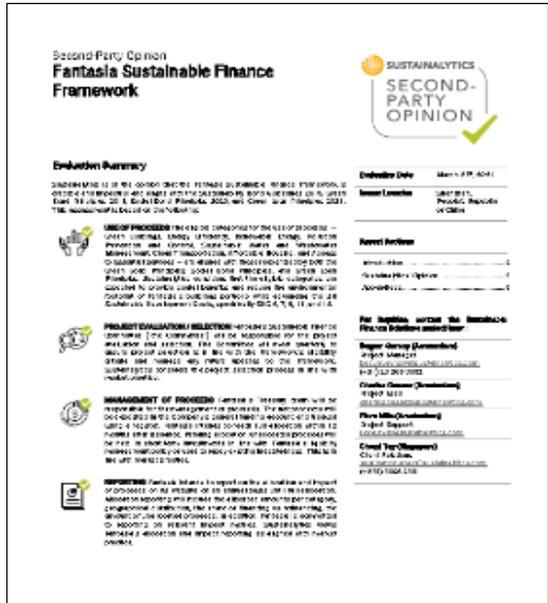
## Service upgrade

- ✓ Value-added development: give full play to diversified operations in the community
- ✓ Value-added exploration: partner with leading technology companies to jointly explore new value-added services
- ✓ Community scenarios: detect community needs through analyzing the consumption patterns and demands of both property owners and the community
- ✓ Seize further business opportunities by capturing the intrinsic value of community services



# Fantasia Creates Values

- Upholding its brand concept “Fantasia creates values”, Fantasia aims to incorporate the sustainable development philosophy into its strategic corporate development, under which, Fantasia will reach balance among environment, society and economy, while pursuing business development, so as to create greater value
- Fantasia endeavors to embed in its business operation the environmental concepts such as emission reduction and energy and water conservation, so as to take a lead in the Green Lifestyle and build for our offspring green cities
- Fantasia also actively participates in urban renewal projects, contributing to the optimisation of city layout, the improvement on the quality of living environment and industrial transformation and upgrading



In March 2021, Fantasia officially launched the “Sustainable Finance Framework” which passed the stringent certification by Sustainalytics, an internationally leading independent rating agency, upon receiving its Second-Party Opinion on Fantasia Sustainable Finance Framework

# Education Welfare

- Fantasia have initiated the Shenzhen Fantasia Charity Foundation since 2013. With “Enjoy the Public Welfare” as its core concept, the charity foundation focuses on areas including education welfare, elderly care welfare and art welfare
- Since 2006, Fantasia has made donations to build and operate Ji'an Fantasia Hope Primary School, Jiangxi Province. Over the years, we have continued to organise different charity activities for local children and students. With “art + sports” as its care strategy, we have comprehensively improved the hardware conditions and “soft power” of the school through the implementation of our employee volunteer education program, the establishment of teacher training and reward funds, and the launch of one-to-one paired interactive care activities. We hope this will help create a “new hope model” for left-behind children in rural areas



Fantasia have initiated its flower care program (护花使计划) for left-behind children by adding extra-curricular "colorful classrooms" such as Chinese studies, art, music and sports as well as summer camps, in the hope to promote the healthy growth of the children



Fantasia donated books, toys and funds to the students of hope primary schools on Children's Day



Fantasia raised funds through public welfare auctions for the educational aid project of the Fantasia Hope Primary School



# Elderly Care Welfare



- Fantasia attaches great importance to the elderly and poverty alleviation projects. Since 2018, it has joined hands with the Government of Gaoping Town, Suichuan County, Ji'an City, Jiangxi Province to launch projects in Gaoping Town. The projects include exploration of featured rural elderly care models for remote villages such as institutional elderly care and distributed mutual elderly care
- In order to explore the targeted poverty alleviation path of industrial poverty alleviation, Fantasia has worked hard with the local government and agricultural cooperatives to open up sales channels for local agricultural products with original ecological features, with an aim to create a model that not only solves rural poverty issue, but also provides elderly care with dignity for the elderly in rural areas



The Fantastic charity gift box includes preserved sweet-potato, honey and selected premium Gougunao green tea originated from the villages in Suichuan, Jiangxi province. In March 2021, Fantasia launched an activity to raise money for the lonely elderly through internal purchase, whereby Fantasia aimed to raise funds by encouraging its employees to purchase charity gift boxes in lieu of making donations, so as to provide financial support for the poverty-stricken lonely elderly of the local villages

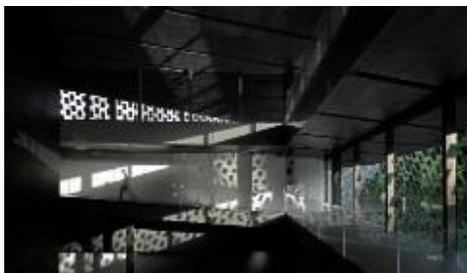


Funds were donated to renovate the new nursing home in Gaoping Town, Suichuan, Jiangxi

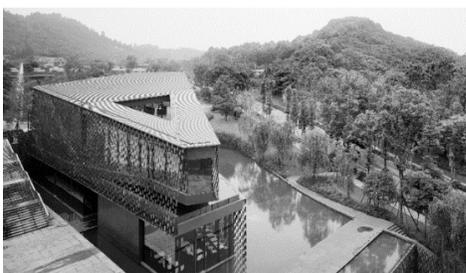
# Art Welfare



- Fantasia built an art museum at the foot of Laojun Mountain in Chengdu, known as Zhi Art Museum and designed by Kengo Kuma, an international acclaimed architect
- Through cooperation with domestic and international artists each year, the museum explores the subject of “art and technology” through artistic creation and communication, thereby making our contribution to social and cultural public welfare undertakings
- Over the years, the museum has continuously promoted different public art activities. As an aesthetic education base, it enables the public to understand and discover the beauty of life through such as public platform



Zhi Art Museum



Asia Museum Forum



Open Modern and Contemporary Art History Series Forum



Art education activities for children





## Task priority in 2019: Talents

- Continue to introduce outstanding talents of the industry, which account for over 90% of the team
- Optimise talent portfolio and strengthen the mid-level workforce, with significant increase in the proportion of backbone professionals
- Build up sufficient reserve of outstanding talents by selecting, training and cultivating young talents
- Emphasize performance-oriented principle and sense of ownership, optimise remuneration portfolio and motivate the enthusiasm of the staff
- Strengthen promotion of corporate culture and cultivate the core value of humour, eloquence and professional skill, diligence and integrity

Boost organizational strengths



## Task priority in 2020: Land reserve

- Expand its vertical strategic move in the five major metropolitan areas, and build up land reserve in the Yangtze River Delta Area, Chengdu-Chongqing Area and Guangdong-Hong Kong-Macao Greater Bay Area, which account for 85% of the total investments
- Optimise investment decision-making process, and establish quantitative financial criteria for investments, so as to enhance its investment capability
- Acquire lands mainly through public auction and partly through M&A projects
- Focus on small and medium size projects to shorten turnaround time
- Step up efforts to acquire lands through various channels, enhance cooperation with outstanding property developers, and vigorously promote and expand urban renewal business

Optimize asset quality



## Task priority in 2020: Products

- Fantasia introduced new product lines (i.e. “joyful”, “tasteful” and “meaningful”) which focus on the lifestyle concept and space demand of various customers rather than the traditional rigid demand and improving demand
- Through thorough analysis of the locality and modernity of each project, Fantasia created a separate storyline for each project
- A number of quality projects featuring the unique product characteristics of Fantasia have been launched, which received great attention and extensive recognition from the market

Improve product quality



## Task priority in 2021: Capital Structure

- Control total debt and optimise major debt indicators
- Proactively enhance debt management, optimise debt financing channels and maturity profile, and reduce the proportion of offshore bonds and short-term bonds
- Proactively expand financing channels, especially credit facilities from domestic and overseas banks, so as to reduce financing costs
- Enhance sales proceeds collection and improve

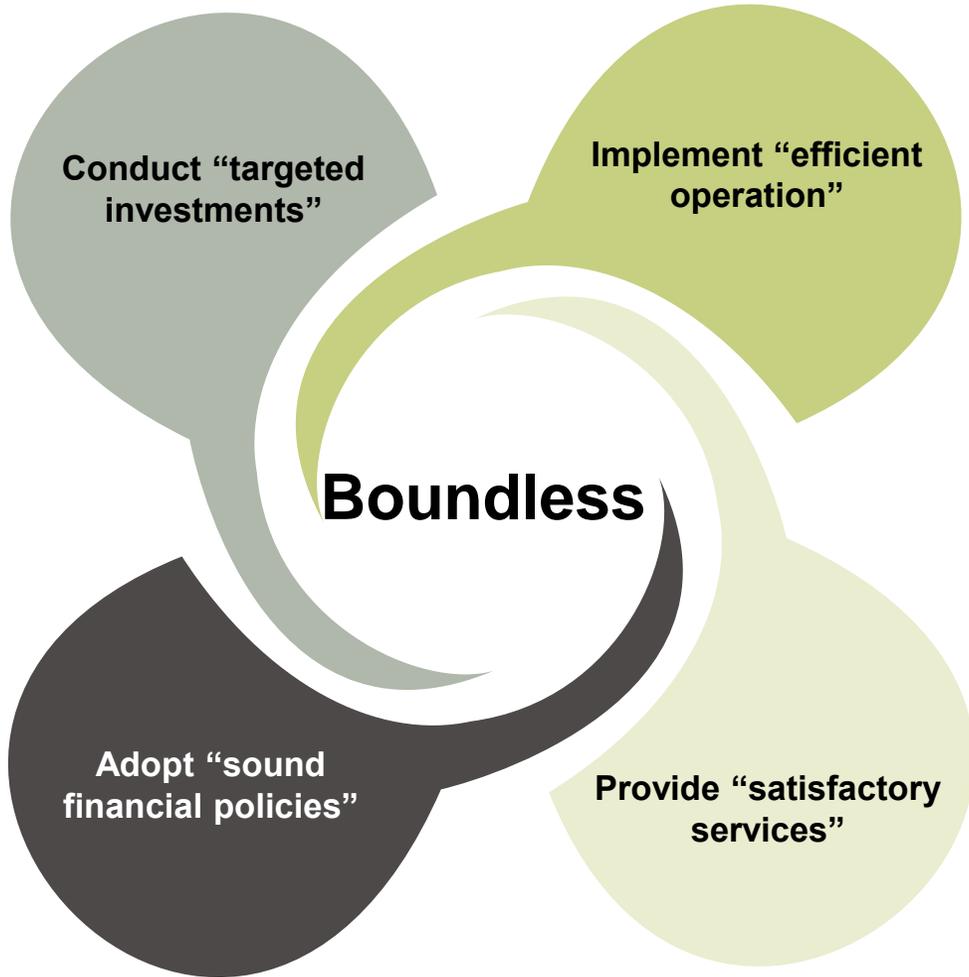
Enhance risk control capability

Achieve sustainable and high-quality growth



- 1 Closely monitor market development to seize cyclical opportunities
- 2 Extend business presence across core cities with a focus on high-value sectors
- 3 Acquire land through public auctions to accelerate project turnover
- 4 Secure profitable opportunities through urban renewal projects and mergers and acquisitions

- 1 Control total debt to improve major debt indicators
- 2 Exercise thorough debt management to optimize debt structure
- 3 Diversify financing channels onshore and offshore to reduce financing costs
- 4 Improve debt collection to increase capital turnover

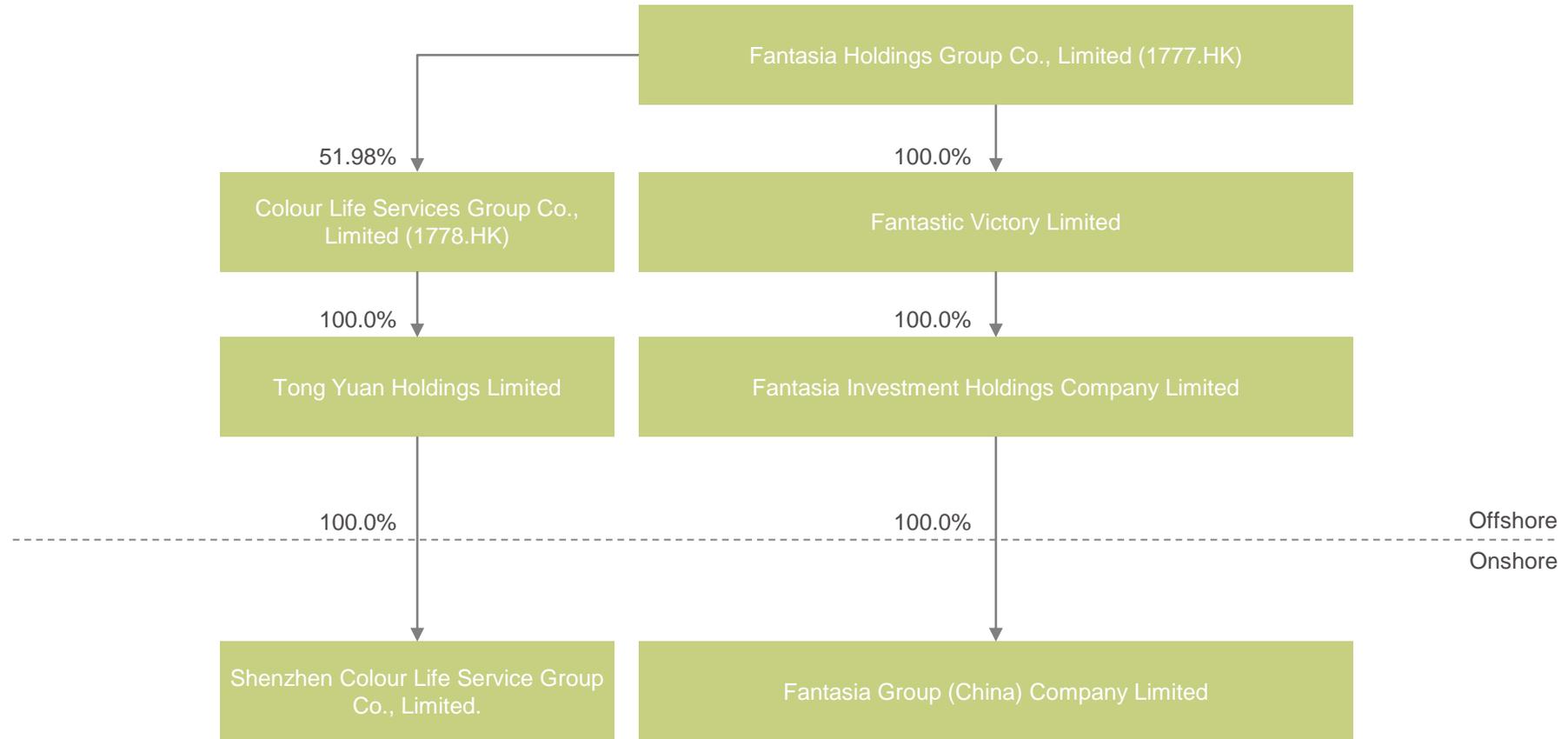


- 1 Enhance the development of operations system with a focus on planned management approach
- 2 Enhance operational efficiency to improve profit margin and cash flow
- 3 Implement reward and penalty system to promote organizational vitality
- 4 Strengthen performance assessment to improve project execution, enhance trainings to achieve unity, and enhance self-examination, reflection and summary

- 1 With an emphasis on customer satisfaction, provide customers with outstanding basic property management services and value-added services
- 2 Focus on cost advantage and organic expansion to achieve scalable business growth
- 3 Challenge the traditional industry norms and strive to foster caring communities centered around humanity and technology



# Group Structure



**Note:**  
1. Figures as of 30 June 2021

# Expedition of Shenzhen Urban Renewal Policy



- It has been 10 years since the promulgation of the Shenzhen Urban Renewal Measures (《深圳城市更新办法》) in 2009, marking the beginning of a series of urban renewal policies in Shenzhen which played a pioneering role in this area in China
- Over the past years, we witnessed increasing demand for urban renewal, improvement in urban renewal policies and accelerated progress in urban renewal projects

## Period of revolutionary changes (since 2016)

- Authority delegation to government at district level (强区放权)
- The 13th Five-Year Plan
- Notice on Establishment and Improvement of a Comprehensive Regulation System for Joint Stock Companies (建立健全股份合作公司综合监管系统的通知)
- Draft Urban Renewal Regulations of Shenzhen Special Economic Zone (深圳经济特区城市更新条例(草案))
- .....



## Period of development (2013-2016)

- Improvement of implementation polices and regulations
- Trial Measures for Dealing with Unauthorised Buildings (违建处理试点办法)
- Interim Measures on Enhancement and Improvement of Implementation of Urban Renewal Projects (城市更新实施工作暂行措施)
- .....

## Period of initiation (2009-2013)

- Urban Renewal Measures
- Implementation Rules of Urban Renewal Measures (城市更新办法细则)
- "1+6" Documents of the Government on Optimisation of Resource Allocation to Promote Industrial Transformation and Upgrading (政府优化资源配置促进产业转型升级“1+6”文件)
- .....



## Period of exploration (2004-2009)

- Renovation of urban villages and shabby villages
- Upgrading and renovation of old industrial villages
- .....

# The Importance of “Shenzhen Special Economic Zone Urban Renewal Regulations”



- The “Shenzhen Special Economic Zone Urban Renewal Regulations” were implemented on 1 March 2021 to promote the development of Shenzhen’s urban renewal and bring benefits to urban renewal projects



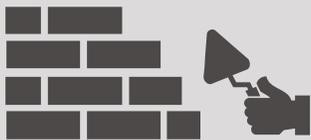
**Improve legislative framework to stabilize market expectation**



**Impose property freezes to regulate trade market**



**Implement stringent regulations and carry out redevelopment to promote fairer relocation compensation**



**Open tendering of construction contractors  
For redevelopment of old Residential communities**



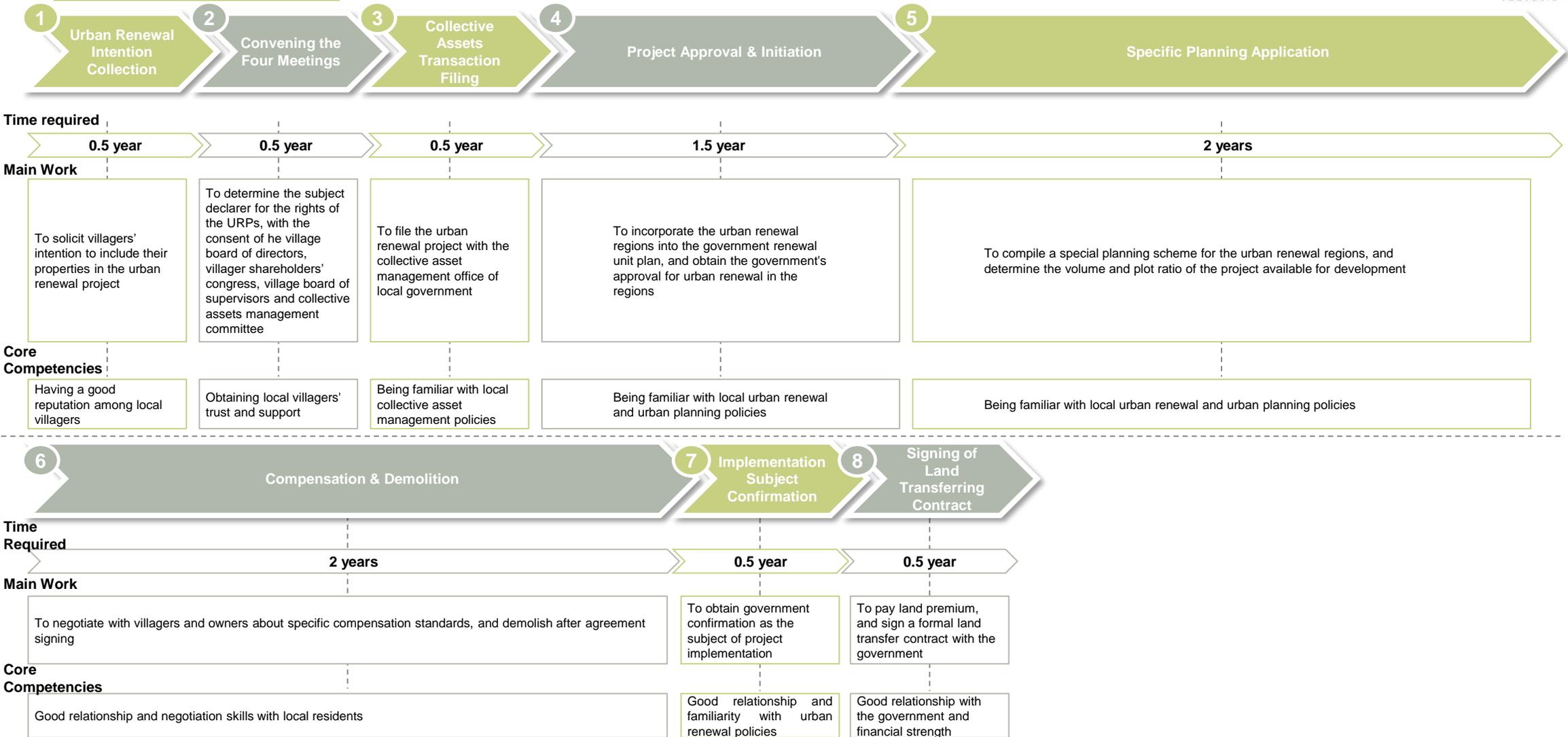
**Set out compensation criteria to regulate relocation practice**



**Address relocation issues based on judicial ruling**

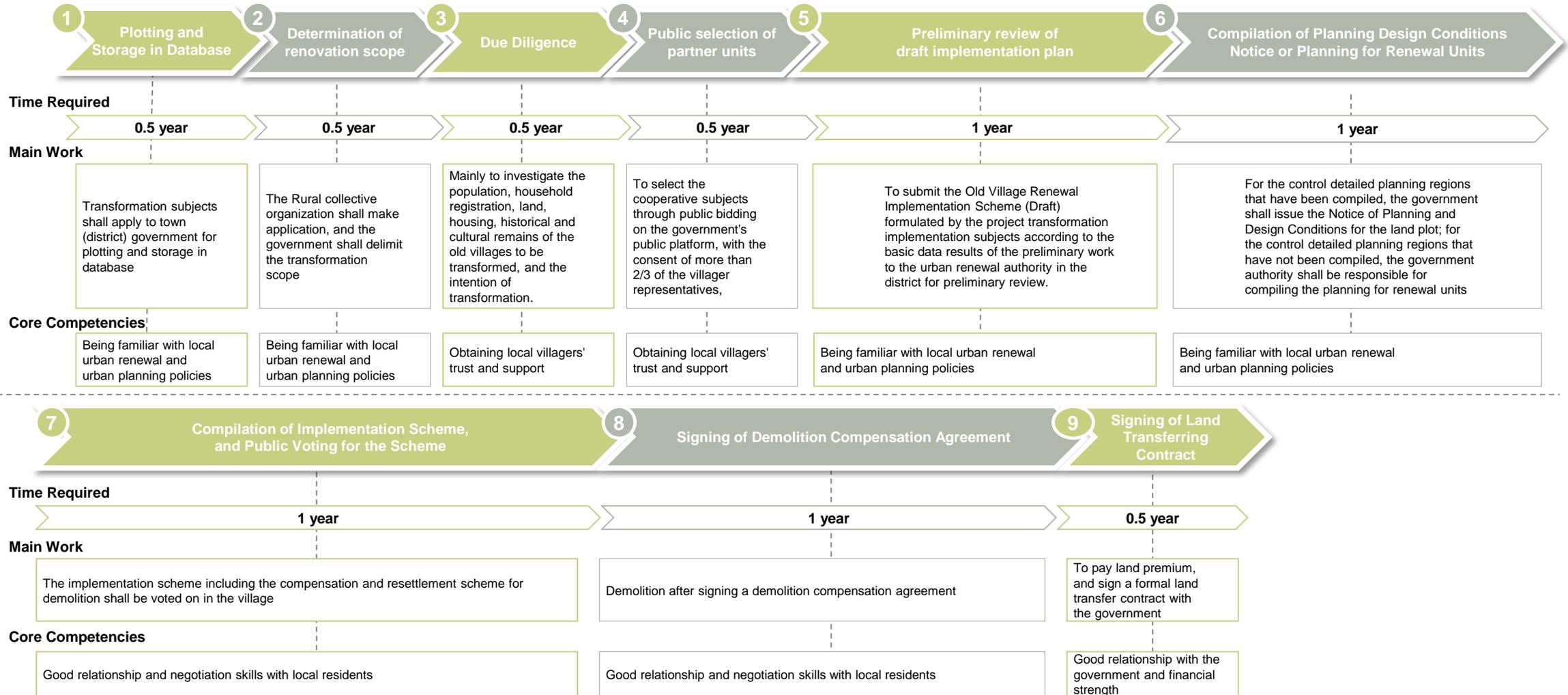


# Introduction to the General Process of Shenzhen Urban Renewal Project

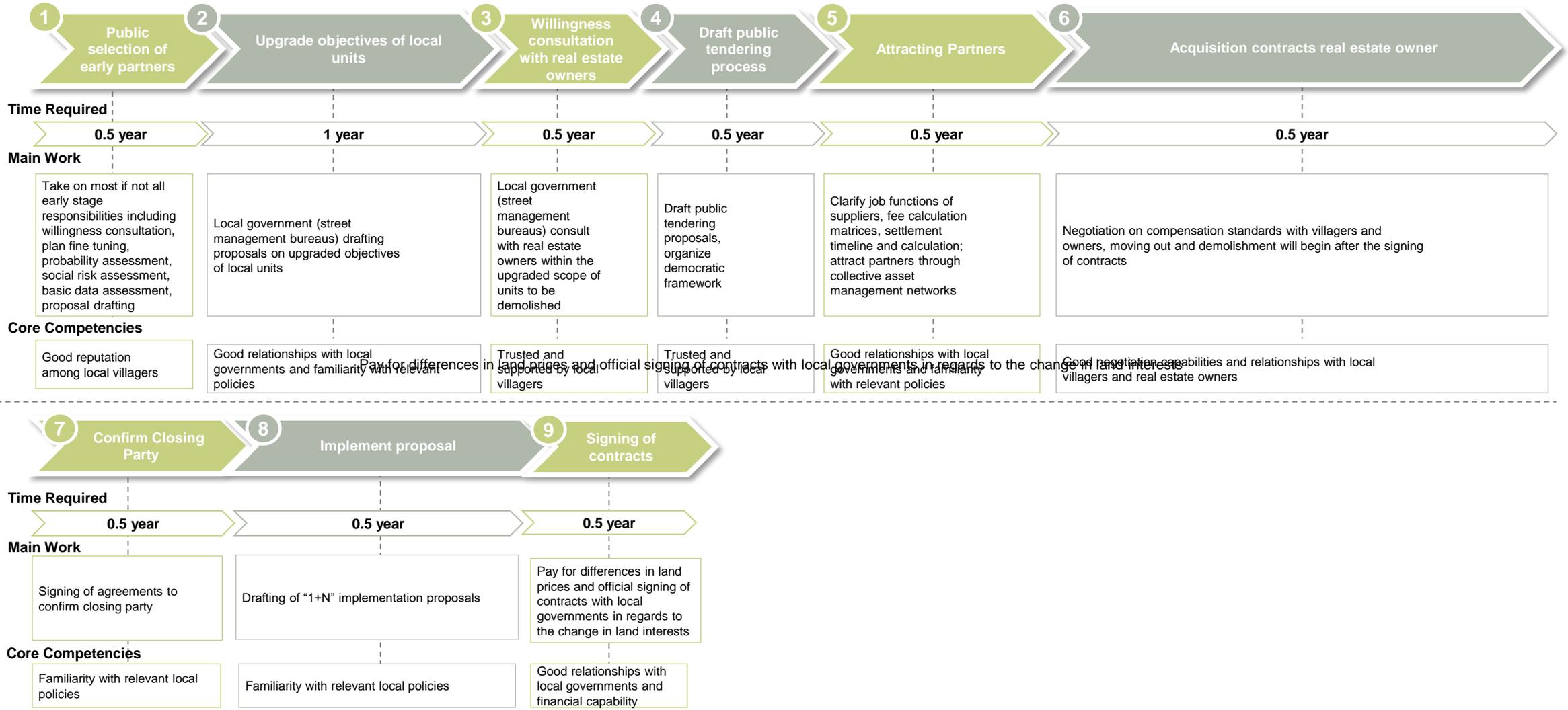


Note: Some districts in Shenzhen, such as Longgang district, will file for collective asset transactions after completion of the special planning stage

# Introduction to the General Process of Huizhou Urban Renewal Project



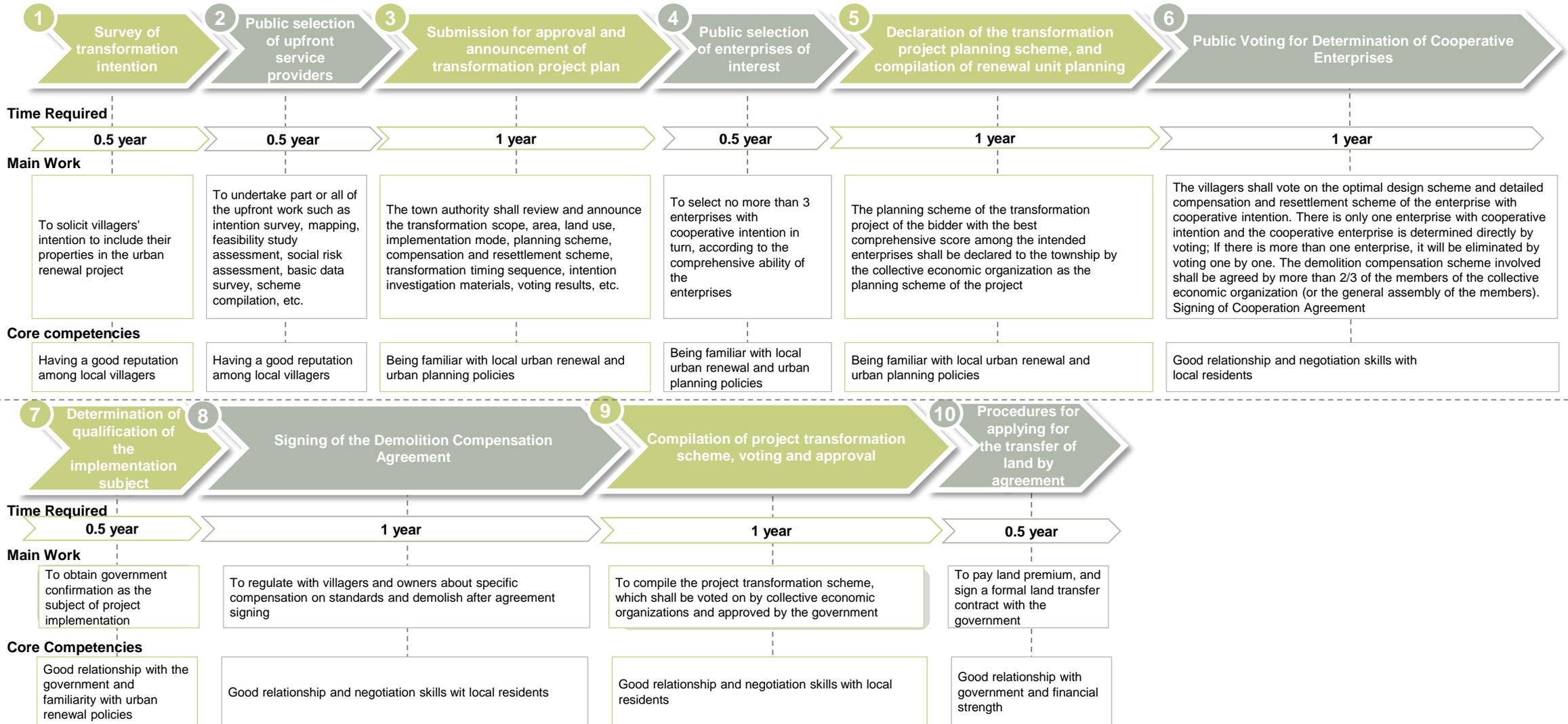
# Introduction to the General Process of Dongguan Urban Renewal Project



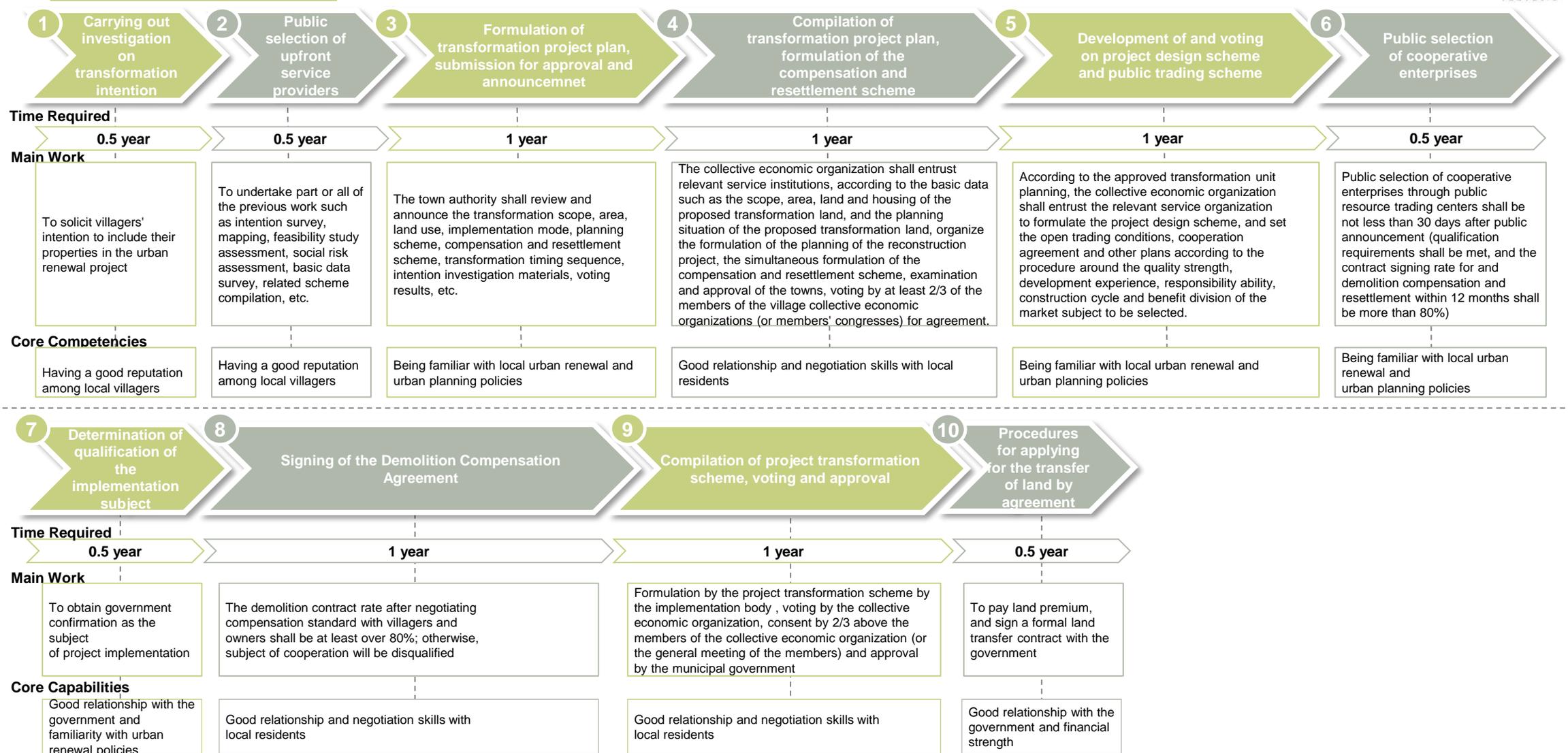
# Introduction to the General Process of Zhongshan Urban Renewal Project (Scenario 1: Previously Selected Cooperative Enterprises)



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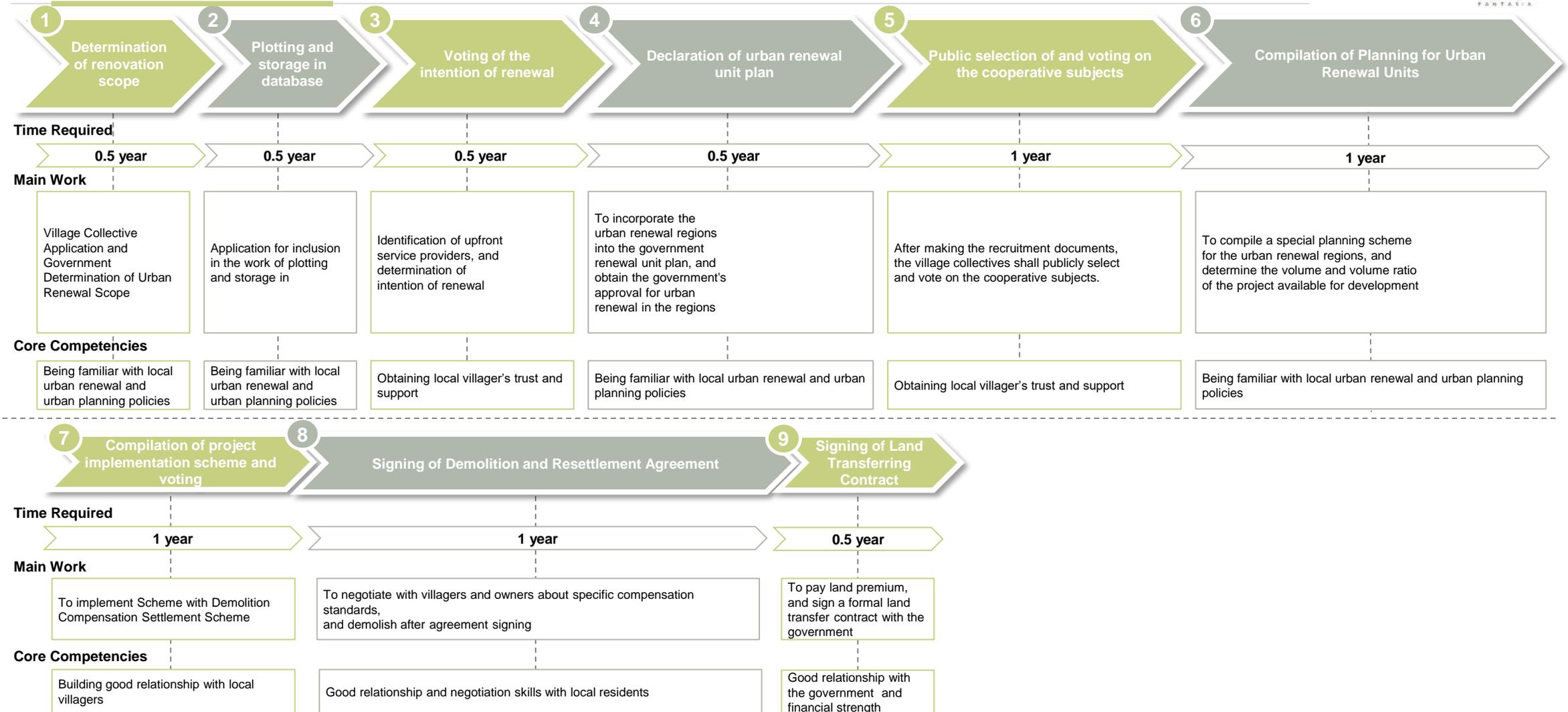
# Introduction to the General Process of Zhongshan Urban Renewal Project (Scenario 2: Cooperative Enterprises Selected at Later Stage)



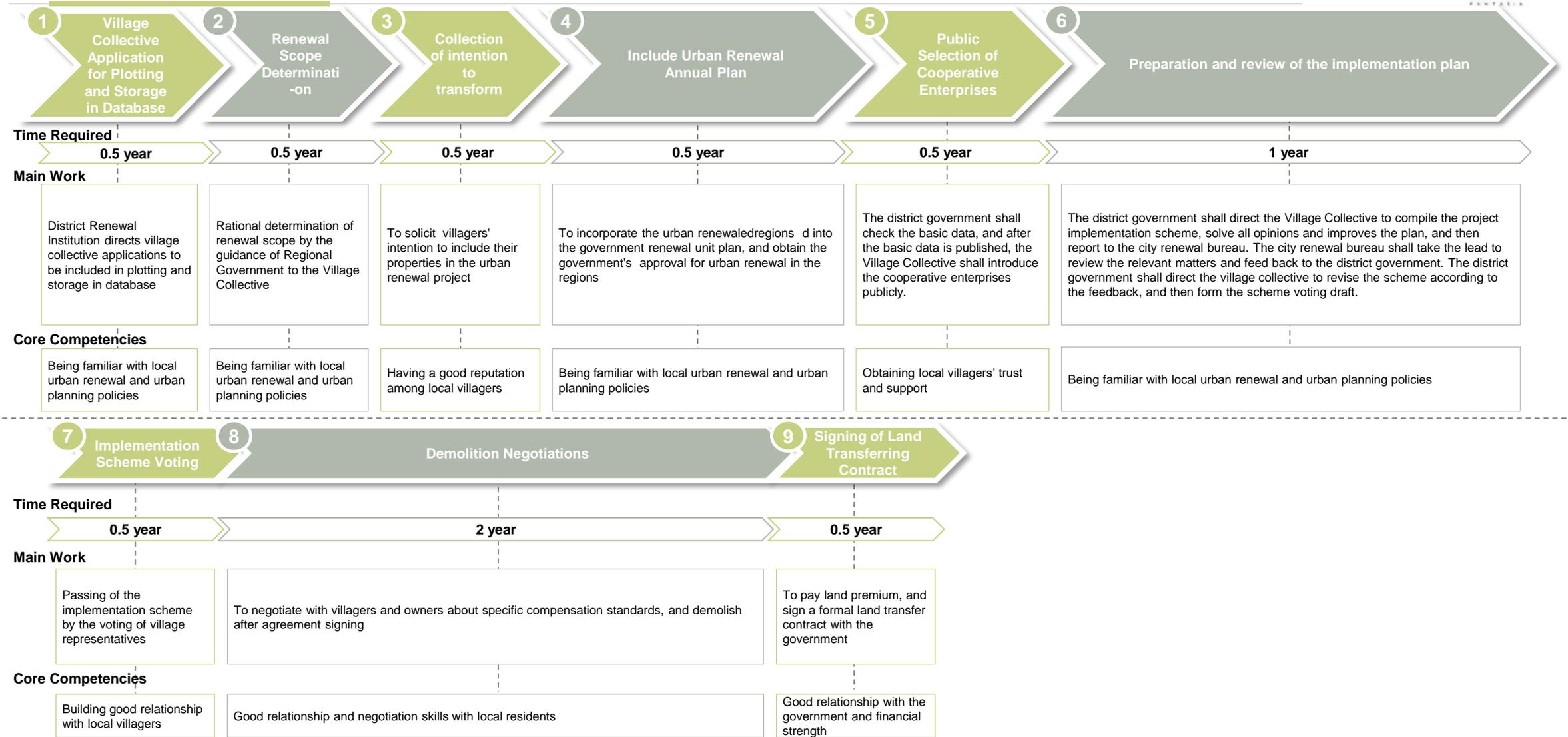
# Introduction to the General Process of Foshan Urban Renewal Project (Refer to Nanhai Region)



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# Introduction to the General Process of Guangzhou Urban Renewal Project





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# 花样创造价值。

CREATING VALUE WITH ASPIRATIONS.

有 趣 / 有 味 / 有 料