

社區



2015

Interim Report | Stock Code: 01777

花
樣
年
F
A
N
T
A
S
I
A



Creating Value with Aspirations.

目錄 CONTENTS

03	Corporate Information
04-05	Honors and Awards
06-09	Corporate Social Responsibilities
10-13	Chairman's Statement
14-41	Management Discussion and Analysis
42-46	Disclosure of Interests
47-53	Corporate Governance and Other Information
54	Report on Review of Condensed Consolidated Financial Statements
55	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
56-57	Condensed Consolidated Statement of Financial Position
58	Condensed Consolidated Statement of Changes in Equity
59	Condensed Consolidated Statement of Cash Flows
60-84	Notes to the Condensed Consolidated Financial Statements

DIRECTORS**Executive Directors**

Mr. Pan Jun (Chairman and
Chief Executive Officer)
Ms. Zeng Jie, Baby
Mr. Lam Kam Tong
Mr. Zhou Jinquan
Mr. Wang Liang (resigned on 30 June 2015)

Non-Executive Directors

Mr. Li Dong Sheng
Mr. Yuan Hao Dong

Independent Non-Executive Directors

Mr. Ho Man
Mr. Huang Ming
Dr. Liao Jianwen
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu

COMPANY SECRETARY

Mr. Lam Kam Tong

AUTHORIZED REPRESENTATIVES

Mr. Pan Jun
Mr. Lam Kam Tong

AUDIT COMMITTEE

Mr. Ho Man (Committee Chairman)
Mr. Huang Ming
Dr. Liao Jianwen
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu

REMUNERATION COMMITTEE

Mr. Huang Ming (Committee Chairman)
Mr. Ho Man
Dr. Liao Jianwen
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu
Mr. Pan Jun

NOMINATION COMMITTEE

Mr. Pan Jun (Committee Chairman)
Mr. Ho Man
Mr. Huang Ming
Dr. Liao Jianwen
Ms. Wong Pui Sze, Priscilla, JP
Mr. Guo Shaomu
Ms. Zeng Jie, Baby

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Agricultural Bank of China
China Construction Bank Corporation
China Everbright Bank Co., Ltd.
Industrial and Commercial Bank of China
Limited
The Hongkong and Shanghai Banking
Corporation Limited

LEGAL ADVISORS

As to Hong Kong Law
Sidley Austin

As to PRC Law
Commerce & Finance Law Offices

As to Cayman Islands Law

Conyers Dill & Pearman

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEAD OFFICE IN HONG KONG

Room 1202-03
New World Tower 1
16-18 Queen's Road Central
Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

Block A, Funian Plaza
Shihua Road and Zijing Road
Interchange in Futian Duty-free Zone
Shenzhen 518048
Guangdong Province
China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town, Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services
Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

The Company's Share Listing
Ordinary shares
The Stock Exchange of Hong Kong Limited
Stock Code: 01777

The Company's Senior Notes Listing

RMB1 billion 7.875%,
3 years senior notes due 2016
USD250 million 13.75%,
5 years senior notes due 2017
USD200 million 11.50%,
3 years senior notes due 2018
USD300 million 10.625%,
5 years senior notes due 2019
USD250 million 10.75%,
7 years senior notes due 2020
The Singapore Exchange
Securities Trading Limited

WEBSITE

<http://www.cnfantasia.com>

ON COMPANY LEVEL:

◎ In January 2015, Fantasia Holdings Group Co., Limited (the “Company”) was awarded the honour of the “China Famous Brand Real Estate Enterprise 2014” (2014年度中國房地產名牌企業) by the Organizing Committee of Chinese Real Estate Summit Forum (中國房地產高峰論壇組委會).

◎ In February 2015, in the activity “Seek for Leaders of Real Estate Innovation 2014” (2014尋找地產創新領袖) initiated by RECG Media Group (樓市傳媒), Pan Jun, the Chairman of the Board of Fantasia Holdings Group Co., Limited, was awarded the title of the “Top 10 China Real Estate Internet Innovation Figures 2014” (2014年度中國房地產互聯網創新TOP10人物).

◎ In April 2015, Fantasia Group (China) Co., Limited was awarded the honour of the “Top 100 China Real Estate Enterprises” (中國房地產百強企業) for seven consecutive years.

◎ In April 2015, Shenzhen Fantasia Business Management Company Limited was awarded the honour of the “Best Chinese Commercial Real Estate Operator” (中國商業地產最佳營運商) in the Adjudication and Selection of Golden Coordinate on “the Tenth Chinese Commercial Real Estate Festival” (第十屆中國商業地產節).

◎ In April 2015, Mr Qiu Zhidong, the general manager of Shenzhen Fantasia Business Management Company Limited, was awarded the title of “Golden Property Trader of Chinese Commercial Real Estate” (中國商業地產金牌操盤手) in the Adjudication and Selection of Golden Coordinate on “the Tenth Chinese Commercial Real Estate Festival”.

◎ In April 2015, on the Twelfth Chinese Commercial Real Estate Industry Development Forum held in Shanghai, Shenzhen Fantasia Business Management Company Limited was awarded the honour of the “China Community Commercial Operation Innovation Prize” (中國社區商業運營創新獎).

◎ In June 2015, Colour Life Services Group Co., Limited under Fantasia Group was awarded the honour of the “Top 10 in Top 100 Comprehensive Property Services Enterprises 2015” (2015物業服務百強綜合TOP10) by China Real Estate Top 10 Research Team.

◎ In June 2015, Colour Life Services Group Co., Limited under Fantasia Group was awarded the honour of the “Top 10 Growth Enterprises in Top 100 Property Services Companies 2015” (2015物業服務百強企業成長性TOP10) by China Real Estate Top 10 Research Team. In Addition, Colour Life Services Group ranked the top of “Top 10 Growth Enterprises in Top 100 Property Services Companies 2015” with its prevailing edges.



© In June 2015, Colour Life Services Group Co., Limited under Fantasia Group was awarded the honour of the “Leading Enterprises of Satisfaction in Top 100 Property Services Companies 2015” (2015 中國物業服務百強滿意度領先企業) by China Real Estate Top 10 Research Team.

© In June 2015, Colour Life Services Group Co., Limited under Fantasia Group was awarded the honour of the “Top Enterprise with the Largest Area of Residential Properties under Management in the World in 2014” (截止2014年底物業居住管理面積全球最大) by China Real Estate Top 10 Research Team.

ON PROJECT LEVEL:

© In March 2015, on the Fifteenth Annual Meeting for China Real Estate Development 2015 organized by the Ministry of Housing and Urban Policy Research Center (住房和城鄉建設部政策研究中心) and co-hosted by China Real Estate Dynamic Policy Design Research Group, Fantasia Lakeside Eden Community stood out on the Meeting and was awarded the honour of the “China Exemplary Residential Property Project 2015” (2015年中國宜居示範樓盤).

© In April 2015, Arcadia Resort Hotel in Yixing stood out in the Adjudication and Selection of “the Tenth China Hotel Starlight Awards” and was awarded the honour of the “10 Best Travelling and Resort Hotel in China” (中國十佳旅遊度假酒店).

© In April 2015, the Annual Meeting for Asia Hotel Forum 2015 cum the Award Ceremony of China Hotel Starlight Awards was held in Shanghai, Guilin Lingui Fantasia Four Points by Sheraton stood out among the numerous participating hotels and was awarded the honour of the “China’s Top 10 New Hotels” (中國十佳新開業酒店).



Shenzhen Fantasia Charity Foundation, by taking up the social responsibilities of Fantasia Group, continued to focus its love and care on life cycle of human beings and is committed in three public welfare projects, namely Public Welfare in Education, Public Welfare in Art and Public Welfare in Elderly Service. Fantasia Charity Foundation has set up five flagship rainbow houses in China with its donation and held the large-scale public welfare project for caring the left-behind children under the eighth “Fantasia: Voyage to Happiness” (花樣年•發現幸福之旅). In addition, Fantasia Charity Foundation has made a decision to offer generous sponsorship to Hong Kong & Shenzhen Bi-city Biennale of Urbanism\Architecture (深港城市\建築雙城雙年展) and continued to engage in Ankangnian Social Retirement Life Service Activity.

In 2015, Shenzhen Fantasia Charity Foundation has constructed five flagship “Fantasia · rainbow houses” (花樣年•七彩小屋) in such cities where left-behind children concentrated as Shenzhen, Chongqing, Mianyang, Nanjing and Huizhou and commenced a series of “Rainbow Class” (七彩課堂) through long-distance online learning platform, which aim at improving the quality education for grass-root children. In addition, the Foundation has also designed, researched and developed and maintained “Rainbow Box” (七彩盒子), the curriculum for left-behind children’s quality education, so as to enhance the urban and rural education equality.



In 2015, the eighth “Fantasia: Voyage to Happiness” with the theme of “Design for Left-behind Children” (為留守兒童設計), gathered proposals on the physical and psychological issues of left-behind children from the public. As of 30 June, 102 proposals on caring for left-behind children have been collected and 13 projects have been put into practice under Public Welfare in Education. In order to present a special Children’s Day for left-behind children in remoted areas, Fantasia volunteers from Shenzhen, Guilin and Wuhan, with “A Group of Seven Dream Chasers Revisits the Road to Knowledge” (夢想七人組 重走行知路) as their theme, formed teams and visited the villages in rural hinterlands where numerous left-behind children are domiciled in June, to experience the school life of those children while bringing happiness and offering help to them.

In 2015, Fantasia Group, as the advocate for integrating art and architecture, sponsored 2015 Hong Kong & Shenzhen Bi-city Biennale of Urbanism\Architecture with an amount of RMB2 million. So far, Fantasia has sponsored such activity for six consecutive years with an aggregate amount of RMB9 million contributed. Moreover, Fantasia has been the exclusive sponsor ever since the first exhibition.

In the first half of 2015, Ankangnian focused to optimize the operation of four homecare centers and 2 day-care centers. During the period, Ankangnian provided 24-hour elderly-care services for 22 senior citizens and has organized cultural and recreational activities for 1,400 senior citizens, distributed 600 sets of nutrimeal for the aged, received more than 1,000 elderly services consultation and offered health examination services for approximately 500 senior citizens each month on average. Meanwhile, each service center regularly organized birthday parties for senior citizens and their families on monthly basis, allowing them to enjoy professional nursing service in the service centers as well as warmth from the family, the healthy well-being and happiness.

In 2015, the Association of Fantasia Volunteers practised the charitable concept of “One Good Deed a Day to Enjoy the Charity” (日行一善、樂享公益) through offering flower pots with the theme of “One Good Deed a Day” (日行一善), advocating “Ten Ways to do a good deed a day” (日行一善十條), taking part in charitable exhibition and having site visits for rainbow houses.

CHRONOLOGY OF CHARITY

From January to February, Fantasia volunteers completed the research work of four Fantasia rainbow houses in Huizhou Nanxi Primary School (惠州南溪小學), Chongqing Tianxing Wanquan Primary School (重慶天星完小), Mianyang Beiba Primary School (綿陽北壩小學) and Nanjing Jinyao Community (南京金堯社區) and intended to upgrade five rainbow houses to flagship rainbow houses before June.

On 30 January, Fantasia Charity Foundation and “Half Past Four” (四點半) school in Gulf Community jointly carried out activities entitled “Dreams of Spring·Love on Voyage” (春的梦想·愛的起航) for showing love and care to migrant children and celebrating Spring Festival.

By the end of January, the modification work of flagship rainbow house in Ji’an Fantasia Hope School was completed, computers and indoor decorations have been improved so that SMILE, the interesting rainbow classes, can be regularly organized for students.

By the end of January, Fantasia Charity Foundation hosted three charitable brainstorm activities entitled “Dream Workshop” (夢想工坊) at Shenzhen Funian Plaza, Meinian Plaza and Xinian Center, inviting more outstanding youngsters with dreams to take part in the public welfare projects for caring left-behind children through seizing the opportunity “Design for Left-behind Children”.

In February, in order to ensure personal and property safety of senior citizens living in Ankangnian community retirement life services centers in Chengdu and Nanjing, these centers have conducted comprehensive safety inspection when approaching the Chinese New Year. These centers also hosted or participated in various Spring Festival celebration activities, allowing the elderly to enjoy a harmonious, peaceful as well as safe Spring Festival.

On 12 February, the Association of Fantasia Volunteers organized an activity of donation entitled “Flower Pots Return Home, Love worth Spreading” (花罐回家 讓愛蔓延) as the year-end activity of Fantasia Real Estate Group Limited and raised funds of approximately RMB3,290 in total, the entire proceed was subsequently donated to Fantasia Charity Foundation.

On 22 March, the flagship rainbow house of Half Past Four school in Gulf Community, Shekou District was successfully inaugurated, 10 Fantasia volunteers organized “Rainbow Hand Workshop” (七彩手工坊) to teach migrant children Paper-rolling Art (衍紙畫藝術), a traditional Chinese handicraft.

On 12 March, three teachers for teaching support of Fantasia Charity Foundation, being the 14th batch of teachers, set out for Ji'an Fantasia Hope Primary School and provided teaching support for three months. Those three teachers have become the 45th, 46th and 47th teacher for New Pillar teaching support respectively since the commencement of the scheme in 2008.

On 12 March, volunteers from the design department of Fantasia arrived at Ji'an Hope Primary School. They have completed an on-site survey of the modification of school toilets and have initiated discussion with the school.

On 23 March, Fantasia Group initiated “Send Books with Love to Countryside” (小書有愛 送書下鄉) in more than 30 communities in 11 cities in China and proposed to employees, landlords and customers to donate their idle children extra-curricular books. The activity collected more than 1,100 books and all of which have been donated to left-behind children school in Bijie, Guizhou Province.

On 31 March, the first proposal collection activity for the eighth “Fantasia: Voyage to Happiness” cum the public welfare project of “Design for Left-behind Children” (第八屆花樣年發現幸福之旅暨「為留守兒童設計」) was concluded and 80 proposals relating to caring for left-behind children were received.

On 30 and 31 March, to practise the charitable concept of “One Good Deed a Day to Enjoy the Charity”, the Association of Fantasia Volunteers delivered “Fuwa” flower pots to China Group (中國集團) and headquarters of eight segments, Real Estate Group (地產集團) and Urban Company (城市公司), and presented the details on the charity activity of flower pots.

In March, Fantasia Charity Foundation had exchanges with social organizations and charity foundations such as the Chen Yet-Sen Family Foundation in Hong Kong (香港陳一心公益基金會), Shenzhen Social Responsibility Promotion Center (深圳社會責任促進中心), Changsha Mengchuang Charity Center (長沙夢創公益中心), Political and Law School of Shandong Youth University of Political Science (山東青年政治學院政法學院), Angel Education (天使支教) · Feet-naked Charity Organization of Jinan University (暨南大學赤腳公益組織), Shenzhen Water Conservation Promotion Association (深圳市節水促進會), Lighthouse Project (燈塔計劃) and Alliance Art Group (合縱文化), symbolizing the very beginning of “Open Gates to Practise Charity” (打開大門做公益).

On 20 March, Fantasia Charity Foundation was invited to attend the sharing session of “Daily Life with Mr. Egg” (與蛋君的日常生活) cum the third Hatch Ceremony of Incubator Project organized by Shenzhen Social Organization Incubator Laboratory (深圳市社會組織孵化實驗基地) and shared Fantasia's charity concepts and projects by way of “Real Persons and Books” (真人圖書).

On 19 April, the sports day of amusement games, “Colourful Life” (趣味生活) were respectively held at Shenzhen Bay Sports Center and Lixiang Park and Fantasia's volunteers skated, played amusement games such as hula hoop, spot stacking, flight chess and kites with migrant children from Half Past Four school of Shekou District.

On 16 April, Fantasia flagship rainbow house in Guangshun Tianxing Wanquan Primary School was inaugurated, Peng Chunli, a volunteer from Fantasia Chengdu, presented Zhang Daqing, the headmaster of the school, a plaque of “flagship rainbow house” as a gift and gave away study articles such as schoolbags and books to students.

In April, Dongguan Fantasia Real Estate Investment Company Limited donated 10 computers to Ji'an Fantasia Hope Primary School through Fantasia Charity Foundation.

On 17 April, professional accreditation for the first public welfare proposal of “Design for left-behind children” was held at Shenzhen Funian Plaza. After initial selection and professional evaluation, 30 projects out of more than 80 projects were shortlisted and 12 projects were finally selected for expert evaluation.

In early April, Wechat Puzzle, a public welfare online game with “A Group of Seven Dream Chasers Collects Books together” (夢想七人組一起集圖書) being its motto, was launched. In the welfare game, players who gather 5000 public “Bookbean” may make an exchange for a book and have it donated to left-behind children. By means of such a method, the public could make book donations to left-behind children through playing games.

From 29 to 31 May, “A Group of Seven Dream Chasers Revisits the Road to Knowledge” Wuhan Project cum Actions for Dream of left-behind children commenced. Volunteers headed for Hongqiao Primary School in Bishidu Town, Ezhou City, Hubei Province and made on-site visits. In this activity, volunteers invited the children left-behind to get together with their parents in Wuhan where their parents work and to experience the city life. They had a special Children’s Day there.

From 23 to 24 May, an experience tour for countryside public welfare in Guilin under “A Group of Seven Dream Chasers Revisits the Road to Knowledge” commenced, 11 volunteers went to Huixian Town to enjoy movie entitled “Big Hero 6” in the left-behind children’s self-developed cinema and to play with “Baymax”. They also stayed at the village and helped left-behind families do farm work, cook and prepare rice dumplings.

From 26 to 31 May, an experience tour for countryside public welfare in Shenzhen under “A Group of Seven Dream Chasers Revisits the Road to Knowledge” commenced, 7 volunteers went to Ji’an Fantasia Hope Primary School in Jiangxi Province for visiting families residing in Ji’an while working in Shenzhen and experiencing the real life of “migrant and left-behind childhood” During the tour, volunteers has made records in forms of words, pictures and videos on the choices of separated families: Migrate or left-behind, drift south or stay behind, change or continue.

On 11 June, the 45th, 46th and 47th teachers for teaching support returned to Shenzhen from Ji’an Hope Primary School and briefed other volunteers about the give and take of love in the three months through presentation on teaching support.

On 12 June, “A Group of Seven Dream Chasers Revisits the Road to Knowledge” in Suzhou commenced. In the activity, left-behind children of Class 2 (1) in Xuzhou Jiegou Village Primary School had a good time with the volunteers. Such activity also allowed white-collars class that has a busy city life had a chance to taste the delicate life in Xinyi village.

On 14 June, more than 1,000 books collected by Fantasia Group were successfully sent to the library of Shangzhai Primary School in Qingyang Town, Qixingguan District in Bijie, Guizhou Province by “Send Books with Love to Countryside” public welfare team. These books provided local children with materials for knowledge and strength, warmed their childhood with the fun of reading.

On 29 June, Pan Jun, the Honorary President of Fantasia Charity Foundation and the spokesman for left-behind children, invited Fantasia’s employees, volunteers and landlords to join “One Good Deed a Day for Left-behind Children”.

Dear Shareholders,

The year 2015 is a year for Fantasia to innovate, fulfill responsibilities and implement strategies. We strived to pursue excellence and scale new heights through persistent introspection at the perspective of an entrepreneur. We continuously increased the market share of community finance, community manufacturing, community cultural tourism and community education on the basis of residential community, commercial community, business community and elderly service community to gradually expand the proportion of asset-light income. During the first half year of 2015, Colour Life, our subsidiary, solemnly launched "Colour Life Residence" to initiate the service-oriented business model in the industry; Home E&E Group (美易家集團) made a breakthrough in business model which would be gradually put into practice; business management companies developed rapidly in the business model centered on lights assets management which focuses assets under custody; our financial group proceeded to launch new targeted financial products and received a strong market response while our real estate group has implemented a marketing partnership system to motivate sales forces throughout the Group and satisfactory results was achieved.

TO BUILD A NEW BUSINESS ECOSYSTEM IN MOBILE INTERNET ERA

In 2015, Li Keqiang, the Premier of the State Council, put forward a strategy of "Internet Plus" in a government work report, which provides new opportunities for the growth of the Chinese economy. In line with the development trend of "Internet Plus" in China, Fantasia has been leveraging on the strategy of "Community Plus" of four communities, four applications, a social network platform and a big data center to fully connect to and integrate with various resources of external traditional industries and emerging industries through the community service platform, and gradually build up an open and sharing, cooperative and win-win community business ecosystem with respect to communities and families. The Group implemented new strategies attentively and industriously instead of staying on paper and would achieve ultimate strategic layout, which will be demonstrated by our performance.

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I hereby present the interim results of the Group for the six months ended 30 June 2015 (the "Period"). For the six months ended 30 June 2015, the Group recorded revenue of approximately RMB2,917 million, profit of approximately RMB123 million and profit attributable to the owners of the company of approximately RMB101 million, representing an increase of 6.0%, a decrease 62.1% and 68.2%, respectively, as compared to the same period of last year.

TO FULFILL THE REQUIREMENT OF INNOVATION AND IMPROVEMENT OF RESIDENTIAL COMMUNITIES IN TWO DIRECTIONS

Colour Life aims to innovate residential communities. During the first half of 2015, Colour Life commenced its cooperation with Mengniu, SF Express, yhd.com (1號店) and JD.com (京東) and it has also successfully acquired Kaiyuan International, a leading developer of high-end properties, thus achieving the target of becoming the top company in the world in terms of the management areas of residential communities. For the first anniversary after listing, it launched "Colour Life Residence" which gradually consolidated the resources of Internet, communities and properties in an innovative way and built up a platform which opens up to possibilities and focuses on O2O community ecosystem.

Jiefang District (解放區) resorts to improve the environment of residential communities, and strives to secure and convert community resources. Linlile (鄰里樂) and Jiefang District developed rapidly in the first half of the year, covering over 10,000 communities and with registered members of about 500,000, of which active users represent about 30%. Meanwhile, our first O2O community store opened and was put into operation.



THE CONSTRUCTION OF BUSINESS MODEL IS COMPLETED, THE BUSINESS COMMUNITY BUSINESS IS ABOUT TO LAUNCH

With its management services targeted at high-end commercial property and business community, Home E&E Group (美易家集團) has successfully expanded its scope of operation to several large projects such as Guiyang Xinxin International (貴陽鑫新國際), Tianjin Magnate Square (天津富豪廣場), Hefei Jinbao Square (合肥金保中心), Nanhai Haichangliu Colorful Square (海南海長流繽紛廣場), Nanchang Causeway Bay Project (南昌銅鑼灣項目) and Chengdu Huifu Building (成都匯富大廈) during the first half of the year, covering an area of more than 1 million square meters. In particular, during the first half of the year, in terms of commercial community business, we have successfully established and gradually implemented an innovative mode of business of “just go” while we have also extended our business to hotel and apartment and tourism resort. We believe the commercial community business would have a drastic growth.

OUR MANAGEMENT CAPABILITY IS PROVEN BY THE BOOMING COMMERCIAL COMMUNITY BUSINESS

Supported by its own management skill and customer resources, the business community of Fantasia has again made significant achievements. Guilin's Huashengtang, being the first shopping centre in Guilin, had its grand opening on June 19 and a patronage 100,000 customers was recorded in 3 days. Meanwhile, our commercial community management business has expanded rapidly. For the first half of the year, we have entered into several entrust management projects in Ganzhou, Changchun and Shenzhen, providing powerful brand support and service assurance with respect to project positioning, business solicitation and management operation. By now, Fantasia Business Community has managed about 10 commercial projects, with a total area of 400,000 square meters. With its unparalleled capability, Fantasia Business Management Company was awarded prizes such as “Best Operator of Commercial Property in China (中國商業地產最佳營運商)” and “Innovation Award on Community Commercial Operation in China (中國社區商業營運創新獎)” in the first half year.

CONSTRUCTED A CLASSIC MODEL FOR LOW-COST ELDERLY SERVICE COMMUNITY AND THE RETIREMENT LIFE COMMUNITY PLATFORM DEVELOPED RAPIDLY

For our elderly service community business, on top of continuous optimization of current projects in Chengdu, Nanjing and Shenzhen, we have completed the site selection and expansion of several dozen projects including home service stations, day care centers, nursing home. The number of senior citizens served with Ziyue University, home service and health care doubled as compared with last year, and we have initially established standard structure for elderly services. Through providing domestic community elderly services and elderly services by urban institutions, we continued to nurture our leading edges in comprehensive low-cost elderly services. We endeavored to penetrate into the mainstream market of elderly in China with our elderly service business model which founded on the basis of community, professionalism and sustainability and which covered the whole life cycle.

OUTSTANDING ACHIEVEMENTS IN COMMUNITY FINANCE

We continued to make use of internet finance to solicitate community financial business from regular customers and by further tapping into residential communities, entered into commercial community. Meanwhile, we have established our credit investigation system based on community data with a view of laying the foundation for the development of community financial business. For the first half of the year, our micro-credit business has grouped the funding requirements of customers into different categories based on life scenario and has completed the construction of scenario model for our products and this allowed us to effectively launch our products to targeted customers. We received huge market responses. Our platform had newly registered of nearly 100,000 members and raised funds of approximately RMB150 million. Our financial leasing business had acquired assets with outstanding credit quality and hence was capable of effectively controlling the risks. Meanwhile, our new business, insurance agency business has gained ideal results within a short period.

REFORM AND IMPLEMENTATION AND SATISFACTORY RESULTS WAS ACHIEVED IN THE COMMUNITY MANUFACTURING INDUSTRY

Aimed at establishing a new asset-light development model of real estate, we successfully divided our community manufacturing business in the first half year into four segments, including real estate fund, construction agent, industrial real estate and residential industry. Through studying the mindset and work practice of internet companies and undertaking a series of reform and promotion activities, we have taken up better position in grasping opportunities and undertaking work which is target-oriented. Motivated by the new incentive mechanism, our partners throughout the country were incentivized and outstanding results in terms of sales and funds collected were achieved.

REVITALIZE COMMUNITY AND COMMUNITY CULTURAL TOURISM FOR FLOURISHING THE RELATIONSHIP IN NEIGHBORHOOD

The mode of operation may have a turnaround implication. During the first half year, we have changed the mode of operation of traditional hotels of community cultural tourism business, explored the cooperation opportunities within scenic spot and a platform of cooperation was established. Such an incentive, through the provision of resources and plans, has effectively vitalized residential community, commercial community, business community and elderly service community and flourished the connection in neighborhood, resulting in a substantial improvement in the results of hotels operation. Leveraging on our expertise and crossover creativity, we have been awarded "2014 Most Innovative Hotel Management Group of China" (2014年中國最新創新力酒店管理集團), "Top 10 Resort Hotels of China" and "Top 10 Newly Open Hotels of China" successively.

FORGING AHEAD TO PUT THE COMMUNITY EDUCATION INTO PRACTICE

Community education, though enjoys a promising prospect, is an arduous task a long-term work. During the first half year, we rationalized and established business model of community education,

completed the exploration of the training model for community service staff and research and development of the community training programs, established service team and made a breakthrough in overseas education business. Besides, we provided professional training for community service staff in residential community and commercial community. Therefore, the core ability has been gradually taking shape while good reputation has gradually acquired.

PROSPECT AND DEVELOPMENT

Fantasia will unswervingly take the path of community services and head towards the target of becoming the largest integrated community service operator in the world. We will gradually adjust the business structure and spare no efforts to build four platforms, including residential community, commercial community, business community and elderly service community. We will endeavor to strengthen the four applications, including community finance, community manufacturing, community cultural tourism and community education, and establish an organic ecosystem featured by coordination among each platform and application to further realize light assets operation and become an integrated financial holding group in the future.

APPRECIATION

Fantasia's success was founded on assiduous staff and trust and support from all shareholders, investors, partners and customers. On behalf of the Board of Directors, I would like to take this opportunity to express our heartfelt thanks to everyone. In the future, we will continue to strengthen our leading position in the community service field, innovatively explore the segment services and seek to totally transform into a light assets company in three years and increase the proportion of both financial business and light assets to 30%–40% in five years, thus making Fantasia the industry leader and great enterprise with innovative ability and consciousness.

Pan Jun
Chairman

13 August 2015

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from (i) the sales of developed properties, (ii) the lease of investment properties, (iii) the provision of property agency and related services, (iv) the provision of property operation and related services and (v) hotel operation and related services. For the six months ended 30 June 2015, turnover of the Group amounted to approximately RMB3,630 million, representing an increase of 24.4% from approximately

RMB2,917 million for the corresponding period in 2014. The increase in turnover was primarily attributable to the increase in GFA managed under the Group's property management sector in the first half of the year, resulting in an increase in the revenue arising from property management of approximately RMB126 million as compared to the corresponding period in last year. Meanwhile, the GFA of developed properties delivered increased, attributing an increase in the revenue arising from sales of properties of RMB518 million.

The table below sets forth the total revenue derived from each of the projects and the aggregate GFA of properties sold in the first half of 2015 and 2014.

	For the six months ended 30 June 2015			For the six months ended 30 June 2014		
	Total Revenue	GFA Sold	Average Selling Price	Total Revenue	GFA Sold	Average Selling Price
	RMB'000	Square meters	RMB	RMB'000	Square meters	RMB
Huizhou Fantasia Special Town (惠州別樣城)	14,194	2,788	5,091	548,650	108,191	5,071
Dongguan Wonderland (東莞江山)	-	-	-	536,509	82,990	6,465
Guilin Fantasia Town (桂林花樣城)	31,154	7,437	4,189	456,730	98,211	4,650
Chengdu Fantasia Town (成都花樣城)	1,064,895	256,628	4,150	328,432	80,412	4,084
Guilin Lakeside Eden (桂林龍湖)	34,335	4,718	7,277	318,855	36,042	8,847
Tianjin Love Forever (天津花郡)	57,185	10,760	5,315	158,779	26,211	6,058
Chengdu Grande Valley (成都大溪谷)	132,377	15,267	8,671	73,072	6,818	10,718
Chengdu Future Plaza (成都香年廣場)	-	-	-	54,786	4,673	11,724
Suzhou Lago Paradise (蘇州太湖天城)	2,790	374	7,459	37,106	4,001	9,274
Wuxi Hailun Complex (無錫喜年中心)	32,945	4,745	6,943	29,190	3,167	9,217
Nanjing Yuhuatai (南京花生唐)	-	-	-	5,493	253	21,711
Chengdu Meinian International Plaza (成都美年國際廣場)	271,878	65,139	4,174	2,289	645	3,549
Chengdu Love Forever (成都花郡)	-	-	-	2,278	550	4,142
Ningbo Love Forever (寧波花郡)	535,493	59,790	8,956	-	-	-
Wuhan Love Forever (武漢花郡)	583,650	63,975	9,123	-	-	-
Huizhou Love Forever (惠州花郡)	1,706	432	3,949	-	-	-
Chengdu Longnian Building (成都龍年中心)	259,996	49,811	5,220	-	-	-
Chengdu Mont Conquerant (成都君山)	19,186	4,148	4,625	-	-	-
Wuxi Love Forever (無錫花郡)	53,510	7,707	6,943	-	-	-
Sub-total	3,095,294	553,719	5,590	2,552,169	452,164	5,644
Others	21,101	-	-	46,685	-	-
Total	3,116,395			2,598,854		

Property Development

The Group recognises revenue from the sale of a property when the significant risks and rewards of ownership have been transferred to the purchaser, i.e., when the relevant property has been completed and the possession of the property has been delivered to the purchaser. Revenue from property development represents proceeds from sales of properties held for sales. Revenue derived from property development increased by 19.9% to approximately RMB3,116 million for the six months ended 30 June 2015 from approximately RMB2,599 million for the corresponding period in 2014. It was primarily due to the increase in the GFA of properties delivered.

Property Investment

Revenue generated from property investment increased by 62.3% to approximately RMB97 million for the six months ended 30 June 2015 from approximately RMB60 million for the corresponding period in 2014. The increase was primarily due to an increase in rental area.

Property Agency Services

Revenue derived from property agency services increased by 14.2% to approximately RMB9 million for the six months ended 30 June 2015 from approximately RMB8 million for the corresponding period in 2014. The increase was primarily due to the increase in the number of communities the Group managed in which it provided agency service.

Property Operation Services

Revenue derived from property operation services increased by 60.7% to approximately RMB333 million for the six months ended 30 June 2015 from approximately RMB207 million for the corresponding period in 2014. This increase was primarily due to a substantial increase in the GFA of properties that the Group managed during the first half of 2015.



Hotel Operation and Related Services

Revenue derived from hotel operation and related services increased by 75.3% to approximately RMB75 million for the six months ended 30 June 2015 from approximately RMB43 million for the corresponding period in 2014. This increase was primarily due to an increase in number of hotels operated by the Group.

Gross Profit and Margin

Gross profit of the Group increased by 14.8% to approximately RMB1,160 million for the six months ended 30 June 2015 from approximately RMB1,011 million for the corresponding period in 2014, while the Group's gross profit margin was 32.0% for the six months ended 30 June 2015 as compared to a gross profit margin of 34.7% for the corresponding period in 2014. The decrease in gross profit margin was primarily due to the fact that the commercial properties delivered represented a larger proportion of the total properties delivered during the first half of 2014, while the proportion of residential properties delivered increased during the first half of 2015, and the residential properties have a lower gross profit margin than commercial properties. Though, the gross profit margin maintained at a reasonable level.

Other Income, Gain and Losses

Other income, gain and losses improved to a net gain of approximately RMB5 million for the six months ended 30 June 2015 from a net loss of approximately RMB58 million for the corresponding period in 2014, which was due to an exchange gain of RMB27 million (the corresponding period in 2014: an exchange loss of RMB84 million) resulting from the increase in the exchange rate of RMB against U.S. dollars during the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 23.1% to approximately RMB123 million for the six months ended 30 June 2015 from approximately RMB100 million for the corresponding period in 2014. The increase was mainly due to the amount of the Group's contracted sales during the Period, which increased drastically as compared to that during the corresponding period in 2014. Expenses such as advertising and marketing expenses as well as salaries of sales personnel for the Period were closely related to the amount of contracted sales, and hence the selling expenses increased significantly.

Administrative Expenses

The Group's administrative expenses increased by 32.8% to approximately RMB371 million for the six months ended 30 June 2015 from approximately RMB280 million for the corresponding period in 2014. This increase was primarily due to the increase of the number of staff as the Group expanded, which resulted in an increase in the staff cost, and the fact that some of the staff bonus were rescheduled to pay on monthly basis.

Finance Costs

The Group's finance costs increased by 3.2% to approximately RMB160 million for the six months ended 30 June 2015 from approximately RMB155 million for the corresponding period in 2014, with no notable growth.

Income Tax Expenses

The Group's income tax expenses increased by 23.7% to approximately RMB404 million for the six months ended 30 June 2015 from approximately RMB327 million for the corresponding period in 2014. This increase was mainly due to the increase in profit before tax.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2015, the Group's total cash (including restricted bank deposits) was approximately RMB4,484 million (31 December 2014: approximately RMB4,653 million), representing an decrease of 3.6% as compared to that as at 31 December 2014.

Gearing Ratio

The gearing ratio was 79.0% as at 30 June 2015 (31 December 2014: 86.7%). The gearing ratio was measured by net debt (aggregated bank borrowings and senior notes net of bank balances and cash and restricted cash) over the total equity. The total debt (being aggregated bank borrowings and senior notes) over total assets ratio continued to be healthy, maintaining at 30.4% as at 30 June 2015 (31 December 2014: 37.7%). Due to the unfavorable property market during the Period, the Group optimized its equity structure and maintained a reasonable proportion of long-term and short-term debts as well as strictly implemented the budget for cash flows so that the Group had a relatively substantial decrease in its gearing ratio for the Period as compared to that as at the end of last year.

Borrowings and Charges on the Group's Assets

As at 30 June 2015, the Group had an aggregate bank borrowings and senior notes of approximately RMB6,220 million (31 December 2014: approximately RMB7,774 million) and approximately RMB7,230 million (31 December 2014: approximately RMB6,768 million), respectively. Amongst the bank borrowings, approximately RMB2,210 million (31 December 2014: approximately RMB4,123 million) will be repayable within one year and approximately RMB4,009 million (31 December 2014: approximately RMB3,651 million) will be repayable after one year. Amongst the senior notes, approximately RMB1,000 million (31 December 2014: approximately RMB746 million) will be repayable within one year and approximately RMB6,230 million (31 December 2014: approximately RMB6,022 million) will be repayable after one year.

As at 30 June 2015, a substantial part of the bank borrowings were secured by land use rights and properties of the Group. The senior notes were jointly and severally guaranteed by certain subsidiary companies of the Group and by pledge of their shares.

Exchange Rate Risk

The Group mainly operates its business in China. Other than the foreign currency denominated bank deposits, bank borrowings and senior notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. For the six months ended 30 June 2015, though the exchange rates of RMB against U.S. dollars and the Hong Kong dollars increased, the Directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

Contingent Liabilities

As at 30 June 2015, the Group had provided guarantees amounting to approximately RMB5,619 million (31 December 2014: approximately RMB4,778 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests

thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate. In the opinion of the Directors, no provision for the guarantee contracts was recognized in the financial statement for the six months ended 30 June 2015 as the default risk is low.

Employees and Remuneration Policies

As at 30 June 2015, excluding the employees of communities managed on a commission basis, the Group had approximately 9,079 employees (31 December 2014: approximately 5,990 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice. Apart from salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for Chinese employees), a discretionary bonus program and a share option scheme.

The Company adopted a share option scheme on 27 October 2009. Up to 30 June 2015, a total of 142,660,000 share options were granted. Up to 30 June 2015, a total of 14,108,000 share options were lapsed and 1,584,000 options had been exercised. As at 30 June 2015, the outstanding share options were 93,298,000.

INTERIM DIVIDEND

The Board had resolved that no interim dividend be paid for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).



BUSINESS REVIEW

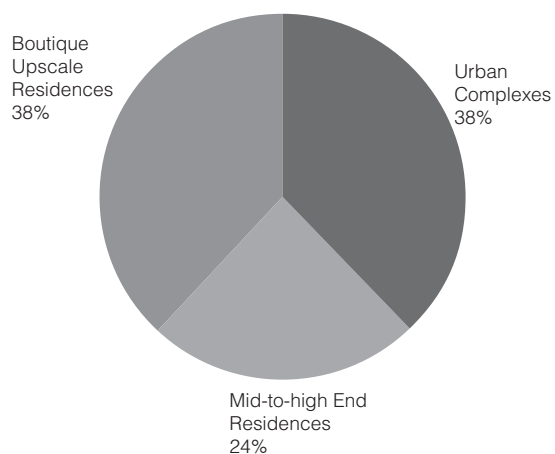
Property Development

Contracted Sales and Project Development

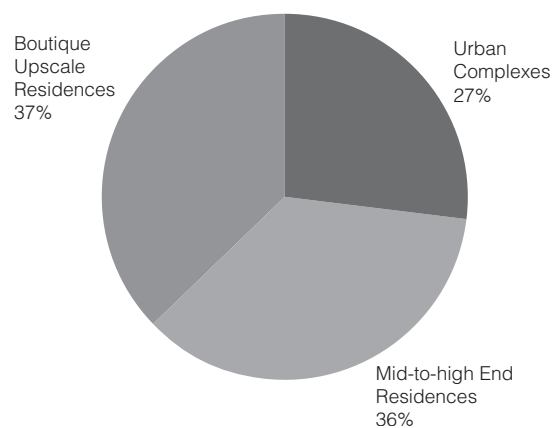
From January to June in 2015, the investment in the domestic property development in general continued to see a slowdown that had occurred since 2013, and the accumulative year-on-year growth rate kept hitting a new low. However, the rate of slowdown began to decrease in May, showing signs of bottoming out of the industry. As for the sales, being continually affected by favorable macro policies, property sales in China considerably improved and the rate of fall in property sales narrowed down since the implementation of “330 Policy”. Led by one and two tier cities, the fundamentals in the real estate market also began to pick up while the sales of commercial housing in non-major cities were still slow, marking the differentiation of the real estate market.

In a highly competitive market environment, property companies in the first and second tier remained stable. Property companies with property values of over RMB5 billion increased significantly in the first half of the year, and entry barriers have raised. However, property companies in the third and fourth tier achieved similar results as compared with that of the previous year in general. As a whole, the large number of enterprises, the intensive market competition and the frequent transactions have put the market under great pressure and made the inventories and cashflow as the main fundamentals.

The proportion of contracted sales attributable to different categories of products



The proportion of contracted sales area attributable to different categories of products



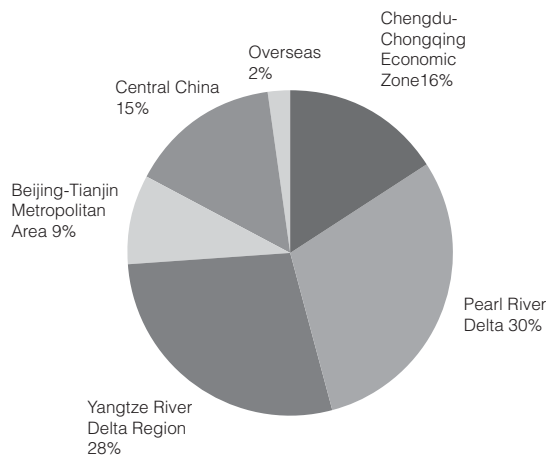
Taking the market performance in the first half of the year into account, the Group adhered to its steady business strategies in order to vigorously reduce inventories. With the unsatisfactory inventory structure, the Group inspired the team spirit through system reform, and recorded significantly improved results as compared with previous year.

The proportion of contracted sales and contracted sales area attributable to different categories of products for the first half of 2015

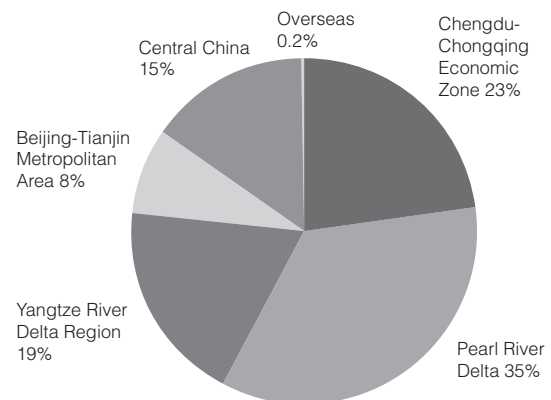
	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Urban Complexes	1,527	37.7	147,301	26.9
Mid-to-high End Residences	978	24.2	198,374	36.2
Boutique Upscale Residences	1,542	38.1	202,336	36.9
Total	4,047	100	548,011	100

During the Period, the Group recorded contracted sales of RMB4,047 million and contracted sales area of 548,011 square meters ("sq.m."). RMB1,527 million of the total contracted sales was derived from urban complexes projects, which accounted for 37.7% of contracted sales, and RMB1,542 million of the total contracted sales was derived from boutique upscale residences projects, which accounted for 38.1% of contracted sales.

The contracted sales value distribution in the six major regions in the first half of 2015



The contracted sales area distribution in the six major regions in the first half of 2015



The breakdown of the Group's contracted sales in the six major regions in the first half of 2015

	Amount		Area	
	(RMB million)	%	(sq.m.)	%
Chengdu-Chongqing Economic Zone	648	16.0	124,268	22.7
Pearl River Delta	1,196	29.6	192,061	35.0
Yangtze River Delta Region	1,139	28.1	102,063	18.6
Beijing-Tianjin Metropolitan Area	363	9.0	43,474	7.9
Central China	614	15.2	85,302	15.6
Overseas	87	2.1	843	0.2
Total	4,047	100	548,011	100

Chengdu-Chongqing Economic Zone

Chengdu-Chongqing Economic Zone is one of the most important drivers for economic growth in China. Driven by its systematic planning for transport development, Chengdu will become the strategic economic region for modern service industry and new and high-technology industry. The Group entered the Chengdu market in early 2001. With the brand reputation that the Group has accumulated over the past 14 years, the Group has become one of the strongest property developers in Chengdu. In the first half of 2015, the Group has been aiming to actively expand the development of the Group's projects in Chongqing and strive to complete comprehensive expansion of Chengdu-Chongqing Economic Zone.

During the Period, the Group recorded contracted sales area of approximately 124,268 sq.m. in Chengdu-Chongqing Zone and contracted sales of approximately RMB648 million, attributing 22.7% and 16.0% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had seven projects or phases of projects under construction in Chengdu-Chongqing Economic Zone, with a total planned gross floor area ("GFA") of approximately 1,083,467 sq.m. and a saleable area of approximately 885,778 sq.m.. Excluding projects under construction, the Group also had five projects or phases of projects to be developed in Chengdu-Chongqing Economic Zone, with a total planned GFA of approximately 1,099,433 sq.m..

Pearl River Delta Region

Pearl River Delta Region has always been one of the most important drivers for economic growth in China, and the area in which Fantasia undertook strategic transformation. The Group has put Shenzhen as the center of development and Huizhou and Dongguan as the radiated regions while accelerating the business development in Guilin market.

During the Period, the Group recorded contracted sales area of approximately 192,061 sq.m. in Pearl River Delta Region; and recorded contracted sales of approximately RMB1,196 million, attributing 35.0% and 29.6% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had 15 projects or phases of projects under construction in Pearl River Delta Region, with a total planned GFA of approximately 1,563,746 sq.m. and an estimated saleable area of approximately 1,228,520 sq.m.. The Group also had five projects or phases of projects to be developed in Pearl River Delta Region, with a total planned GFA of approximately 1,651,668 sq.m..

Beijing-Tianjin Metropolitan Area

Beijing-Tianjin Metropolitan Area, which is the third pole for China's economic growth as well as the core of the Capital Economic Circle and the hinterland of Bohai Economic Rim Region, enjoys a prominent strategic position. This area, being a national political, economic and cultural center, is one of the most attractive areas in China. During the Period, on top of its existing projects, the Group actively expanded industry projects, which is the core direction of real estate transformation in the first-tier cities.

During the Period, the Group recorded contracted sales area of approximately 43,474 sq.m. and contracted sales of approximately RMB363 million in Beijing-Tianjin Metropolitan Area, attributing 7.9% and 9.0% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had four projects or phases of projects under construction in Beijing-Tianjin Metropolitan Area, with a total planned GFA of approximately 191,138 sq.m. and an estimated saleable area of approximately 124,765 sq.m.. The Group also had four projects or phases of projects to be developed in Beijing-Tianjin Metropolitan Area, with a total planned GFA of approximately 667,189 sq.m..

Yangtze River Delta Region

Yangtze River Delta Region is the region which enjoys the strongest integrative strength and the most-balanced development in China. Due to its extensive geographic coverage and strategic development, cities in the region has become important focuses for the growth of China's real estate industry. The Group paid continuous attention to its current projects as well as key cities that have great growth potential within the region. During the Period, the Group has basically completed the housing industrialization project in Suzhou Fantasia Special Town Project and succeeded in the sales of housing industrialization projects.

During the Period, the Group recorded contracted sales area of 102,063 sq.m. and contracted sales of approximately RMB1,139 million in the Yangtze River Delta Region, attributing 18.6% and 28.1% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had seven projects or phases of projects under construction in Yangtze River Delta Region, with a total planned GFA of approximately 985,162 sq.m. and an estimated saleable area of approximately 663,830 sq.m.. The Group also had four projects or phases of projects to be developed in Yangtze River Delta Region, with a total planned GFA of approximately 510,614 sq.m..

Central China

Central China is one of the regions in China that has high economic growth potential. It is the centre of industry and agriculture as well as a transport hub of the country. The region plays an important role of linking the eastern, southern, western and northern parts of China and hence is of strategic significance. During the Period, the Group gradually strengthened its strategic layout in the region, and with Wuhan city as its base, it actively developed newly added projects.



During the Period, the Group recorded contracted sales area of 85,302 sq.m. and contracted sales of approximately RMB614 million in Central China, attributing 15.6% and 15.2% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had four projects or phases of projects under construction in Wuhan, with a total planned GFA of approximately 402,795 sq.m. and an estimated saleable area of approximately 315,889 sq.m.. The Group also had one project or phase of project to be developed in Wuhan, with a total planned GFA of approximately 114,883 sq.m..

Overseas

Singapore is one of the United States dollar centres and one of the most important financial, service and shipping centres in Asia. As the first stop for the Group to advance into overseas real estate market, Singapore has an important strategic meaning to the international development of the Group.

During the Period, the Group recorded contracted sales area of 843 sq.m. and contracted sales of approximately RMB87 million overseas, attributing 0.2% and 2.1% of the total contracted sales area and total contracted sales of properties to the Group during the Period, respectively.

As at 30 June 2015, the Group had one overseas project to be developed, with a total planned GFA of approximately 22,904 sq.m. and an estimated saleable area of approximately 11,551 sq.m..



Newly Commenced Projects

During the Period, the Group had three projects or phases of projects which were newly commenced, with a total planned GFA of approximately 318,544 sq.m..

The breakdown of newly commenced projects in 2015

Project-serial number	Project name	Project location	Nature of land	Expected completion date	Company's interest	GFA (sq.m.)
Chengdu-Chongqing Economic Zone						
1	Phase 2.2 of Chengdu Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	2016	100%	171,234
Central China						
1	Phase 3 of Wuhan Love Forever (Land Plot A)	Hongshan District, Wuhan City	Residential land use	2017	100%	68,458
2	Phase 2 of Wuhan Fantasia Town	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City	Residential land use	2017	100%	78,852
Total						318,544

Completed Projects

During the Period, the Group completed seven projects or phases of projects, with a total GFA of approximately 844,825 sq.m..

The breakdown of completed projects in the first half of 2015

Project-serial number	Project name	GFA	Gross saleable area	Area for sale	Contracted sales area	Area held by the Company
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
Yangtze River Delta Region						
1	Phase 1 of Ningbo Love Forever	112,297	78,007	16,916	61,091	–
2	Phase 3 of Wuxi Love Forever	73,783	55,797	7,503	48,294	–
Chengdu-Chongqing Economic Zone						
1	Phase 2.1 of Chengdu Longnian International Center (Land Plot No. 17&18)	78,839	45,084	–	45,084	–
2	Phase 2.1 of Chengdu Meinian International Plaza	64,077	31,786	406	31,380	–
3	Chengdu Fantasia Town	367,298	285,122	56,002	229,119	–
4	Phase 2.2 of Grand Valley	59,272	59,272	10,736	48,536	–
Central China						
1	Phase 1 of Wuhan Love Forever	89,259	68,313	3,453	64,860	–
	Total	844,825	623,382	95,018	528,364	–

Projects Under Construction

As at 30 June 2015, the Group had 38 projects or phases of projects under construction, with a total planned GFA of 4,249,212 sq.m. and a total planned gross saleable area of 3,230,332 sq.m., among which the accumulated contracted area was 1,308,361 sq.m..

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA	Gross saleable area	Product Category
						(sq.m.)	(sq.m.)	
Shenzhen								
1	Longnian Building	Longgang District, Shenzhen City	Commercial and financial land use	64%	2015	38,482	28,957	Urban Complexes
2	Phase 2 of Able	Longgang District, Shenzhen City	Industrial land use	61%	2016	85,428	65,109	Industrial Plants
3	Lenian Plaza	Longgang District, Shenzhen City	Industrial plants and carparks	60%	2016	127,123	86,344	Industrial Plants
4	Nanshan District Project	Nanshan District, Shenzhen City	Industrial plants and carparks	55%	2018	39,587	39,587	Industrial Plants
Huizhou								
1	Phase 4 of Fantasia Special Town	Huinan Road, Huizhou City	Residential and commercial purposes	100%	2016	156,155	129,716	Mid-to-high End Residences
2	Phase 1 of Kangchensiji Land Plot No. 8	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	2016	33,254	32,565	Mid-to-high End Residences
3	Phase 2 of Kangchensiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	Building 9–12#: 2015 Building 16#: 2016 Building 15#: 2018	82,330	75,664	Mid-to-high End Residences
4	Building 1–2# of Phase 1 of Huizhou TCL Kangchensiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	2016	31,505	31,048	Mid-to-high End Residences
Dongguan								
1	Wonderland (Commercial) Land Plot No. 1	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	2015	1,387	1,387	Boutique Upscale Residences
2	Dongguan Wonderland	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	2015	34,289	14,208	Urban Complexes

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA (sq.m.)	Gross saleable area (sq.m.)	Product Category
Guilin								
1	Guilin Fantasia Town	Lingui New District, Guilin City	Residential and commercial purposes	100%	2016	298,619	238,383	Urban Complexes
2	B District, North Coast of Guilin Lakeside Eden	Lingui New District, Guilin City	Residential and commercial purposes	100%	1, 8#: 2016 2, 3#: 2017 Others: 2018	243,210	206,571	Boutique Upscale Residences
3	Block C2 of Guilin Lakeside Eden Community	Lingui New District, Guilin City	Residential and commercial purposes	100%	3#: 2016 5, 6#: 2017	149,670	93,882	Boutique Upscale Residences
4	Block D of Guilin Lakeside Spring Dawn	Lingui New District, Guilin City	Residential and commercial purposes	100%	Building 1, 3#: 2015 Building 2, 5#: 2016	123,000	95,299	Boutique Upscale Residences
5	Block E of Guilin Lakeside Spring Dawn	Lingui New District, Guilin City	Residential and commercial purposes	100%	1, 2#: 2016 3#: 2018	119,709	89,800	Boutique Upscale Residences
Chengdu								
1	Phase 2.2 of Grande Valley	Pujiang County, Chengdu City	Residential land use	100%	2015	26,006	26,006	Boutique Upscale Residences
2	Phase 2 of Meinian International Plaza	Chengdu High-technology Zone, Chengdu City	Residential, commercial and educational purposes	100%	Phase 2.2: 2016 Phase 2.3: 2016	482,759	393,490	Urban Complexes
3	Phase 1.2, 1.3 and 2.1 of Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	100%	2015	236,457	184,652	Urban Complexes
4	Phase 2.2 of Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	100%	2016	171,234	114,619	Urban Complexes
5	Four Points by Sheraton of Grande Valley	Pujiang County, Chengdu City	Hotels	100%	2016	33,700	33,700	Hotels

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA (sq.m.)	Gross saleable area (sq.m.)	Product Category
6	Grande Valley 12-1	Pujiang County, Chengdu City	Residential and commercial purposes	100%	2016	3,497	3,497	Boutique Upscale Residences
7	Chengdu Pi County Project	Pi County, Chengdu City	Residential and commercial purposes	100%	2018	129,814	129,814	Boutique Upscale Residences
Tianjin								
1	Ancillaries of Phase 1.3 of Love Forever	Wuqing District, Tianjin City	Residential land use	100%	2016	2,679	2,679	Mid-to-high End Residences
2	Phase 4.1 of Love Forever	Wuqing District, Tianjin City	Residential land use	100%	2016	72,177	43,394	Boutique Upscale Residences
3	Phase 1 of Huaxiang	Wuqing District, Tianjin City	Residential land use	100%	2016	16,479	10,248	Boutique Upscale Residences
4	Meinian International Plaza	Hexi District, Tianjin City	Offices	100%	2016	99,803	68,444	Urban Complexes
Suzhou								
1	Phase 2 of Fantasia Special Town	Taihu National Tourism Vacation Zone, Suzhou City	Residential purpose	100%	2015	143,521	105,410	Mid-to-high End Residences
2	Suzhou Lago Paradise Land Plot No. 4	Taihu National Tourism Vacation Zone, Suzhou City	Residential purpose	100%	Phase 2.1: 2015 Phase 2.2: 2016 Phase 2.3: 2016	28,842	21,816	Boutique Upscale Residences
3	Hailrun Plaza	Binhe Road West, Shangxin District, Suzhou City	Residential and commercial purposes	100%	2016	330,589	198,743	Urban Complexes
Nanjing								
1	Phase 1 of Fantasia Town	Ninggao High-Tech Industrial Park, Gaochun Economic Development Zone	Residential and commercial purposes	100%	2016	112,444	105,526	Mid-to-high End Residences
2	Phase 1 of Hailrun Plaza	Central North Road, Gulou District, Nanjing City	Commercial land use	60%	2017	199,395	123,763	Urban Complexes

Project-serial number	Project name	Project location	Nature of land	Company's interest	Expected completion date	GFA (sq.m.)	Gross saleable area (sq.m.)	Product Category
Wuxi								
1	Phase 4 of Love Forever	New District, Wuxi City	Residential and commercial purposes	100%	2015	65,161	39,042	Boutique Upscale Residences
Wuhan								
1	Phase 2 of Love Forever	Hongshan District, Wuhan City	Residential and commercial purposes	100%	2015	100,450	73,729	Boutique Upscale Residences
2	Phase 3 of Love Forever	Hongshan District, Wuhan City	Residential and commercial purposes	100%	2017	68,458	54,217	Boutique Upscale Residences
3	Phase 1 of Fantasia Town	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City	Residential land use	100%	2015	155,034	117,743	Mid-to-high End Residences
4	Phase 1 of Fantasia Town	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City	Residential land use	100%	2017	78,852	70,200	Mid-to-high End Residences
Ningbo								
1	Phase2 of Love Forever	Beilun District, Ningbo City	Residential and commercial purposes	100%	2016	105,210	69,530	Boutique Upscale Residences
Singapore								
1	6 Derbyshire	Novena, Singapore	Residential and commercial purposes	90%	2016	22,904	11,551	Boutique Upscale Residences
Total						4,249,212	3,230,332	

Projects Held for Development

As at 30 June 2015, the Group had 18 projects or phases of projects held for development, with a total planned GFA of approximately 4,043,787 sq.m..

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA (sq.m.)
Shenzhen					
1	Xinghua Industrial Project	Shekou District, Shenzhen City	Commercial and financial purposes	61%	37,500
Subtotal					37,750
Huizhou					
1	Remaining phases of Kangchengsiji	Zhongkai Hi-tech Zone, Huizhou City	Residential and commercial purposes	100%	456,689
2	Qiuchang Project	Danshui Town, Huiyang District, Huizhou City	Residential purpose	100%	159,387
Subtotal					616,076
Suzhou					
1	Remaining phases of Lago Paradise	Taihu National Tourism Vacation Zone, Suzhou City	Residential and commercial purposes	100%	73,229
Subtotal					73,229
Wuxi					
1	Remaining phases of Wuxi Love Forever	New District, Wuxi City	Residential and commercial purposes	100%	19,420
Subtotal					19,420
Dongguan					
1	Wonderland Kindergarten	Huangjiang Town, Dongguan City	Residential and commercial purposes	100%	4,271
Subtotal					4,271

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA (sq.m.)
Guilin					
1	Remaining phases of Lakeside Eden	Lingui New District, Guilin City	Residential and commercial purposes	100%	993,821
Subtotal					993,821
Chengdu					
1	Remaining phases of Belle Epoque	Laojunshan, Xinjin County, Chengdu City	Residential, commercial and ancillary purposes	100%	265,812
2	Remaining phases of Grande Valley	Pujiang County, Chengdu City	Residential and commercial purposes	100%	727,088
3	Remaining phases of Meinian International Plaza	High-technology Zone, Chengdu City	Educational land use	100%	23,903
4	Remaining phases of Chengdu Longnian International Center	Pi County, Chengdu City	Residential and commercial purposes	100%	82,630
Subtotal					1,099,433
Beijing					
1	Qingnian Road Project	Qingnian Road, Beijing	Commercial purpose, offices and carparks	100%	140,000
Subtotal					140,000
Tianjin					
1	Remaining phases of Love Forever	Wuqing District, Tianjin City	Residential purpose	100%	98,150
2	Remaining phases of Huaxiang	Wuqing District, Tianjin City	Residential purpose	100%	260,700
3	Yingcheng Lake Project	Hangu District, Tianjin City	Residential, commercial and tourism purposes	100%	168,339
Subtotal					527,189

Project-serial number	Project name	Project location	Nature of land	Company's interest	GFA (sq.m.)
Nanjing					
1	Fantasia Town	Ninggao High-Tech Industrial Park, Gaochun Economic Development Zone	Residential and commercial purposes	100%	297,852
2	Hailrun Plaza	Central North Road, Gulou District, Nanjing City	Commercial land use	60%	120,113
Subtotal					417,965
Wuhan					
1	Fantasia Town Project	Jinyin Lake Ecological Commercial Town, Dongxihu District, Wuhan City	Residential purpose	100%	114,883
Subtotal					114,883
Total					4,043,787

The Group's Land Bank

During the Period, 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 and Shenzhen, which enjoy strong market potential and are capable of delivering prosperous return. As at 30 June 2015, the planned GFA of the Group's land bank amounted to approximately 14.07 million sq.m. and the planned GFA of properties with framework agreements signed amounted to 6.42 million sq.m..

Region	Projects under construction	Projects to be developed	Projects under framework agreements	Aggregate planned GFA of landbank	Proportion
	sq.m.	sq.m.	sq.m.	sq.m.	
Chengdu-Chongqing Economic Zone				5,212,754	35.4%
Chengdu	1,083,467	1,099,433	2,916,682	5,099,582	–
Kunming	–	–	113,172	113,172	–
Pearl River Delta				6,601,814	44.9%
Shenzhen	290,620	37,500	2,065,000	2,393,120	–
Huizhou	303,243	616,076	1,321,400	2,240,719	–
Dongguan	35,676	4,271	–	39,947	–
Guilin	934,208	993,821	–	1,928,029	–
Beijing-Tianjin Metropolitan Area				858,327	5.8%
Beijing	–	140,000	–	140,000	–
Tianjin	191,138	527,189	–	718,327	–
Yangtze River Delta				1,495,776	10.2%
Suzhou	502,952	73,229	–	576,182	–
Wuxi	65,161	19,420	–	84,581	–
Nanjing	311,839	417,965	–	729,804	–
Ningbo	105,210	–	–	105,210	–
Central China				517,678	3.5%
Wuhan	402,795	114,883	–	517,678	–
Overseas				22,904	0.2%
Singapore	22,904	–	–	22,904	–
Total	4,249,212	4,043,787	6,416,254	14,709,253	14,709,253

Colour Life

During the Period, the community services business of the Group maintained rapid growth. Colour Life Services Group Co., Limited (“Colour Life”), a non-wholly owned subsidiary of the Group, continued to expand its management areas through undertaking engagement and acquisition. As of 30 June 2015, Colour Life had contracted management area of 270 million sq.m., and contracted management projects of over 1,700 in total. Currently, projects managed by Colour Life cover a total of 147 cities, including provincial capitals such as Beijing, Tianjin, Shenyang, Harbin, Changchun, Shanghai, Hangzhou, Nanjing, Xi’an, Yinchuan, Taiyuan, Guiyang, Changsha, Wuhan, Zhengzhou, Guangzhou, Nanchang, Chengdu, Nanning and Haikou, and cities in the Yangtze River Delta such as Suzhou, Wuxi and Yangzhou, as well as cities in the Pearl River Delta such as Foshan, Zhuhai, Zhongshan

and Huizhou, initially forming a regional layout covering Eastern China, Southern China, Northwest China, Southwest China, Northeast China, Northern China, Central China and Singapore. By now, Colour Life has developed into a large-scale community service group, comprising 17 corporations with National Class 1 Aptitude on Property Management certification and 35 corporations with National Class 2 Aptitude on Property Management certification, marking further enhancement and expansion of the brand influence of the community services provided by Colour Life. In the meantime, according to the 2015 China Top 100 Property Service Companies report published by the China Index Academy, among the ten leaders in the category of top 100 property service enterprises with highest satisfaction, Colour Life ranked the sixth, going up one rank as compared to last year. This was a clear evidence that, while maintaining the rapid growth of operational scale, Colour Life also succeeded in improving customer satisfaction, thereby laying a solid foundation for the roll-out of value-added services.



In recent years, the labour cost of the services sector continued to rise. In order to tackle the challenges posed by such increase and further enhance the efficiency of property management services, Colour Life from time to time implemented Internet-technology-based modifications and operation to the projects that it managed. In 2015, the intelligent community model of Colour Life experienced the upgrade from version 2.2 to version 2.3, which further enhanced the model in areas such as business initiatives, budgeting system, intelligent devices, construction inspection and acceptance, registration of APP and vertical application of ecosphere (including E Maintenance, E Rental, E Wealth Management and micro-business circle). In the first half of 2015, Colour Life has completed the hardware modifications for 345 communities, building a strong foundation for enhancing centralised management and safeguarding the quality of fundamental property services. It also allowed residents of the communities to enjoy more convenient community life services.

Furthermore, the online platform of Colour Life, Caizhiyun APP, also developed rapidly in the first half of 2015. Apart from satisfying basic needs such as paying property management charges and handling complaints on services, Caizhiyun APP also added in functions which are frequently used such as “Opening Gate with a Swipe” (掃一掃開社區大門), so as to strengthen the interaction and communication between residents in the community and Colour Life, and increase reliance of residents to the Caizhiyun APP. It is believed that this would further boost Colour Life’s capability in exploring and constructing entry points to and setting in communities, thereby facilitating the seamless integration between its online and offline businesses. As of 30 June 2015, for E Master, a vertical application platform Colour Life operated jointly with a third party, the order per day exceeded 2,000 whilst the order per day for E Wealth Management reached over 4,000, with an accumulated total investment of RMB231 million. These outstanding operating statistics showed that the construction of Colour Life ecosphere was gradually taking shape.

In the future, Colour Life will focus more on word of mouth marketing. It will use cities with established presence as its bases and further refine its work practices and operation plans. At the same time, it will endeavour to develop strong relationship of trust with residents and partners so as to rapidly expand its market share and launch its O2O business by capitalising on the reputation and trust it gained. With the prevalence of “Internet Plus”, enterprises which cannot keep abreast of time will eventually fade out, therefore, Colour Life must adopt progressive thinking in planning the development of the Company and push forward the optimisation and evolvement of internal structure and external cooperation. Meanwhile, Colour Life must continue its in-depth research on entry point to and setting of communities to diversify service offerings with its partners of the environment, so as to serve as a better entry point to the community.

Financial Group

As one of the key sectors of the Group, the community financial sector of Fantasia has been operating on China’s largest social platform exclusively owned by the Group since its kick-start in 2013. The sector innovatively adopts the Internet finance model and focuses on the development of large scale financial holding system, financial platform and financial ecosystem of the Group in establishing the financial value chain between major sectors of the Group and paving its way towards a distinctive model of “community finance”. In terms of business model, the financial sector of Fantasia commenced the operation of new business, namely the insurance brokerage business in the first half of the year. Together with P2P Internet finance, micro credit business and finance leasing business, this new business formed the four major business modules of the financial sector of Fantasia.

Amidst the launching of contextual products such as “Jia Xin Bao”(加薪寶), “Ai Ding Bao”(愛定寶) and pension finance products by Hehenian Internet Finance Platform in the first half of the year to accommodate users in the communities, the platform managed to achieve a 200% growth in the first half of 2015 despite the intense competition in the external investment environment. On top of being the first to launch Internet loan business in the industry, it has achieved tremendous results in that it has granted micro-credit loans with an accumulated value of over RMB70 million and recorded zero overdue and bad debts. Hehenian Internet Finance Platform not only established excellent reputation among users, but also attracted great attention and compliments from other industry players. Following the adjustment to the business direction and the change of focus from corporate loans to payroll loans as its centre of promotion, the platform carried out innovative modification to its existing payroll loans products in the first half of the year and introduced two new products named “Hehe Dai”(合和貸) and “Jing Ying Dai”(精英貸), which were well-received in the market. Meanwhile, it also attained breakthrough in its cooperation with the PBOC and is close to offer automatic credit information enquiry service in its system. Going forward, Hehenian Micro-credit will adhere to its core of business and product innovation while seeking to boost competitiveness and expand market share.

The finance leasing business leveraged on the growth of industry and policy advantages of Qianhai District. It is devoted to financial innovation by making use of the community resources of the Group and has successfully developed models for the community financial leasing and Qianhai cross-border financial leasing business, allowing it to gain foothold in Qianhai and provide services across the country. Up to June 2015, the leasing business recorded a balance of RMB686 million. Under its professional and stringent management system on risks on financial lease, the finance leasing business maintained sufficient provisions, excellent assets quality and had no overdue payments, allowing it to stay ahead in the industry.

Insurance brokerage business is a key business area newly commenced in the year in view of the overall strategic planning of the Group. It makes use of the “four major communities (settings) of the Group: residential community, commercial community, business community and retirement community” as the means to satisfy the “demand for financial insurance by community customers”. Through the integration of business models including O2O, B2F, B2C and B2B, it has built the first community insurance platform in China using advanced technology such as modern Internet and big data.

The financial sector of Fantasia will carry on to develop an innovative O2O service platform for community finance. It will integrate its resources to realise synergy between industry and finance, and provide comprehensive financial services that accommodate the daily needs of online and offline customers, so as to become the largest community financial service provider in China.

Property International

Established in 2010, the international property sector specialises in providing assets management services for high-end commercial properties and is one of the major business sectors of Fantasia. With an international perspective, the Group has constructed an ultimate online and offline service platform with the unique traits of Fantasia through constant innovation to focus on the operation of high-end commercial properties in the property market of China. In the first half of 2015, the international property sector of Fantasia was renamed as Home E&E Group (美易家商務服務集團). It also accomplished the formulation of business proposal for Home E&E Group, which adjusted its mode of development. In regards to business performance, the sector organized the “Go Freely”(走走走) sales campaign which boosted the sales performance of the Grande Valley Project. Meanwhile, the promotion of “+ Wealth Management” micro-credit financial business in various projects under Home E&E has also borne fruit. In terms of growth in scale, the sector has newly obtained nine projects with a contracted area of 1,600,000 sq.m. in the first half of the year.

Based on the development trend in the first half of the year, by the end of 2015, the area newly put under the management of Home E&E Group will reach 5,000,000 sq. m.. At the same time, the maturing of “+ Wealth Management” micro-credit financial service, assets management and contracting service, among other operating businesses, will provide additional sources of profit for Home E&E Group.

Business Management

Urban complex is one of the important product categories offered by the real estate sector of the Group. With the experience accumulated over the past 17 years, the Group adheres to its mission to pursue innovative business model and diversified business offerings. In attaining its goal, Fantasia Business Management Company Limited, a subsidiary of the Group, successfully recruited much industry talents and actively participated in the operational planning, business solicitation as well as investment invitation for certain large scale projects of the Group during the Period. Meanwhile, it also engaged in the provision of various services which are light assets in nature, such as agency service, consultation service as well as entrusted operation and management for commercial projects operated by external parties.

Since its opening on 28 September 2014, Nanjing Yuhuatai, a project developed and operated by Fantasia Business Management Company Limited has been under stable operation, with an occupancy rate of over 85% and an accumulated rental income of over RMB7 million. It is now a landmark shopping mall in Banqiaoian District, Nanjing, providing leisure, catering, entertainment and shopping experience. At the same time, it enjoys strong brand recognition and reputation locally, and is the preferred leisure and shopping venue for Nanjing citizens. Another major project developed by Fantasia Business Management Company Limited is Guilin Huashengtang, which has a total area of approximately 90,000 sq.m. and has successfully opened on 19 June 2015. It was also the first one-stop international shopping centre in Guilin. A wide range of business models can be found in Guilin Huashengtang, allowing it to harness the synergy from the three business models, namely leasing, joint operation and self-operation. A number of well-known and top-tier brands in China, such as YINER, PSALTRE, KALTENDIN, VERSINO, BELLE, Suning and YUYUTO has set up businesses in Guilin Huashengtang as well, hence during the first three days of its opening, the project attracted over 100,000 visits and the positive feedbacks from Guilin citizens. Meanwhile, the preparation work of “Fantasia World Outlet” Project in Chengdu, which adopts innovative business models, offers unique experience, provides wider range of brands and is more internationalized, and the Suzhou and Chengdu Hongtang Projects, which are larger in scale, more diverse in terms of business activities and positioned at higher-end, are well underway. Fantasia Business Management Company Limited also actively expanded its commercial light assets projects and was contracted to three light assets management projects in the first half of 2015. By now, it has penetrated and expanded into Yangzhou, Chengdu, Shenzhen, Ganzhou as well as Changchun, and in the future, it will continue to provide quality service to homeowners in order to generate fruitful returns.

The brand image and recognition of business projects operated by Fantasia have improved significantly and the Group has gained unique brand influence in the industry. The Group believes that Fantasia Business Management Company Limited will earn a stable and growing return in the future.

Cultural and Tourism Group

The cultural tourism sector covers hotels, golf courses, high-end urban clubhouses, private clubs, theme parks, art museums and construction works. After the integration period of over a year, Fantasia Cultural Tourism Management Holdings Group Co., Limited and its subsidiaries (collectively the “Cultural and Tourism Group”) have initially developed a framework centering on light assets business model. Through the consolidation and accumulation of resources related to cultural tourism and the integration of internal and external resources, the company achieved steady growth in performance.

In the first half of 2015, each of the business units within the Cultural and Tourism Group strived to attain various goals orderly by adhering the business direction of “focusing on sales targets, promoting art and aesthetics, creating new brand, encouraging the utilisation of the Internet”. For instance, our hotel management subsidiary focuses on capturing market shares in the boutique hotels segment and the exploration of overseas projects while the hotel business which operated under our own brands recorded improving operating results. Our golf courses provided enhanced golfing experience and organized a series of activities and campaigns to maximize media exposure, and our construction consulting subsidiary undertook the construction works of hotels, Qiertang (七二唐, a brand name of our high-end clubhouse) and tourist spots, as well as the research and development of standards for self-own hotel brands, while also actively implementing the marketing and launching of “Wechat Mall”. Our Zhi – Museum of Art held exhibition on Facebook to gain attention and influence in the industry, and our tourist spots management subsidiary obtained the Group’s approval for the construction of phase one of the theme park, resulting in its strategic plan based on the light assets-oriented development model beginning to take shape.

In the second half of 2015, each of the business units within the Cultural and Tourism Group will mainly focus on deriving more revenue from operating activities and increasing profits gained as its performance targets. At the same time, it will also monitor the implementation and progress of projects to be developed. The Cultural and Tourism Group will continue to develop its light assets business module through proactively expanding the market for its hotel brands, advancing the technology management for domestic and overseas construction projects, commencing the implementation and construction of Phase I of Grande Valley Resort and rolling out its plan on expanding external tourism resources through innovative projects and exclusive products. It will also establish a community-based tour company to commence the related works on community tourism and revitalize assets to boost performance of the community tourism business. In 2015, the Cultural and Tourism Group will adopt “Community Cultural and Tourism” as the main theme and integrate internal and external resources to customize community tourism products. It will pool capital via the platform and attract customers by offering experience.

Futainian

In view of the research and analysis conducted on retirement life service in communities, in the first half of 2015, two new projects and services, namely sales of senior products and purchasing agency designed for senior citizens, were added in on top of the eight major products and services already offered in 2014. Apart from that, the sector also set to improve and enhance the education services for senior citizens provided in Ziyue University and the products offered under the nutritious diets programme for them in the first half of the year. Such improvement and enhancement received instant market recognition and the service volume grew by 102% since the implementation of such improvement and enhancement plans. In order to provide better services to senior citizens and to safeguard their interests, the sector established standards for retirement life services offered by Futainian and formulated the “Futainian Retirement Life Services Standard System”, which covers standards for various retirement life services including homecare and day-care centres, retirement home and rehabilitation therapy.

In the second half of 2015, Futainian plans to open 20 retirement life service centers in Chengdu and Nanjing in order to capture market share. Meanwhile, it will also develop a flagship product and put boosting service volume and revenue as its highest priority in the second half of the year. Futainian will continue to put its belief in “Professionalism leads to an ever-greener life; customized service makes a happier family” into practice and provide professional, customized community-based retirement services that bring senior citizens joy and happiness.

Education

To match the needs of rapid business growth, the education sector of the Group seeks to build an innovative industrial platform based on the long-term planning and the strategic layout of the eight major business sectors of the Company. In the future, the sector will bring impetus to all business sectors of the Group in the form of human resources and provide a platform for our key modern education service segment. Following nearly a year of exploration and research, the education sector has built an excellent team in the first half of the year and established the basic operating model comprising three components, namely community education, services sector education and overseas education.

Services sector education: The education sector of Fantasia will integrate resources on vocational skills education and high quality business resources of the Company to build a talent training platform for modern services sector. It offers the services staff who can perform tasks with high standard, quality and skills to enterprises and the services sector. At the same time, it also focuses on study of “community service” and develops the industry servicing standards and the occupational qualification certification standards. Our education sector aims at leading the industry in moving towards internationalisation and standardisation and strives to become the most authoritative and influential exporter of services staff in China. In the first half of 2015, the education sector set up a team of top notch lecturers within the Group and designed a series of training programme for services sector. In addition, the education sector started to provide training targeting four aspects, namely physical, mental, behavioural and skills, to service staff of the Group.

Community education: For the purpose of examining feasible ways to serve the communities by introducing the concept of quality education and the related products, in the first half of 2015, the education sector established connections with a number of pioneers in the education industry. Through combining business research by the Group and drawing reference from industry experience, the sector succeeded in identifying a promising business model which will be put into trial operation in the second half of the year.

Overseas education: The education sector launched its summer study tour project and finished serving its first batch of customers. In addition, it established connections with a number of top institutions in the industry and captured significant advantage in such cooperation. Based on this experience, the education sector will introduce better products and promote its overseas education business through more effective commercial practice in the future. It will also continue to develop more innovative business model for the overseas education segment to better interact with other sectors of the Group.

The education sector of Fantasia will focus on providing occupational training for modern services sector, community education and modern overseas education in different ways and directions, so as to constantly promote the positive development of society, enterprise and individuals.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) of the Company, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Rules Governing the Listing of Securities in the Stock Exchange (the "Listing Rules") were as follows:

(i) Long positions in the shares and underlying shares of the Company:

Director	Nature of interest	Number of issued ordinary shares of the Company	Interest in underlying shares of the Company	Approximate percentage of interest in the Company as at 30 June 2015
Ms. Zeng Jie, Baby	Interest of controlled corporation ⁽¹⁾	3,302,166,000	–	57.34%
	Beneficial owner	–	9,980,000 ⁽²⁾	0.17%
Mr. Pan Jun	Beneficial owner	–	9,980,000 ⁽²⁾	0.17%
Mr. Lam Kam Tong	Beneficial owner	–	2,770,000 ⁽²⁾	0.05%
Mr. Ho Man	Beneficial owner	–	1,600,000 ⁽²⁾	0.03%
Mr. Huang Ming	Beneficial owner	–	1,600,000 ⁽²⁾	0.03%

Notes:

- (1) Fantasy Pearl International Limited ("Fantasy Pearl") is owned as to 80% by Ice Apex Limited ("Ice Apex") and 20% by Graceful Star Overseas Limited ("Graceful Star"). While Ice Apex is wholly owned by Ms. Zeng Jie, Baby, Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) The relevant Director was granted options to subscribe for such number of shares of the Company under the Scheme (as defined under the sub-section headed "Share Option Scheme" in the "Corporate Governance and Other Information" section below) on 29 August 2011.

(ii) Long positions in the debentures of the Company:

- USD300,000,000 aggregate principal amount of its 10.625% senior notes due 2019 (“2019 USD Notes”)

Director	Nature of interest	Amount of debentures of the Company held	Approximate percentage of the interest in the USD Notes ⁽¹⁾
Ms. Zeng Jie, Baby	Interest in a controlled corporation ⁽²⁾	USD5,500,000	1.83%

Notes:

- (1) The percentage of the interest in the USD Notes is based on the aggregate principal amount of USD300,000,000.
 - (2) Fantasy Pearl is owned as to 80% by Ice Apex, a company wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the debentures held by Fantasy Pearl for the purpose of Part XV of the SFO.
- USD400,000,000 aggregate principal amount of its 10.75% senior notes due 2020 (“2020 USD Notes”)

Director	Nature of interest	Amount of debentures of the Company held	Approximate percentage of the interest in the 2020 USD Notes
Mr. Guo Shaomu	Beneficial owner	USD400,000	0.10%

(iii) Long positions in association corporations

A. Fantasy Pearl

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2015
Ms. Zeng Jie, Baby	Interest of controlled corporation ⁽¹⁾	80	Ordinary	80%
Mr. Pan Jun	Interest of controlled corporation ⁽²⁾	20	Ordinary	20%

Notes:

- (1) These are shares held by Ice Apex in Fantasy Pearl and Ice Apex is wholly owned by Ms. Zeng Jie, Baby.
- (2) These are shares held by Graceful Star in Fantasy Pearl and Graceful Star is wholly owned by Mr. Pan Jun.

B. Colour Life

Director	Nature of interest	Number of shares	Description of shares	Approximate percentage of interest in the associated corporation as at 30 June 2015
Ms. Zeng Jie, Baby	Interest of controlled corporation	719,938,259 ^{(1), (2)}	Ordinary	71.99%
Mr. Pan Jun	Beneficial owner	1,075,440 ⁽³⁾	Ordinary	0.11%
Mr. Lam Kam Tong	Beneficial owner	330,000 ⁽³⁾	Ordinary	0.03%
Dr. Liao Jianwen	Beneficial owner	330,000 ⁽³⁾	Ordinary	0.03%

Notes:

- (1) These are the shares in Colour Life held by the Company which is owned as to 57.32% by Fantasy Pearl which is in turn owned as to 80% by Ice Apex and 20% by Graceful Star. While Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie Baby is deemed to be interested in the shares of Colour Life held by the Company for the purpose of Part XV of the SFO.
- (2) Under a concert party agreement dated 29 June 2015 entered into between the Company and Splendid Fortune Enterprise Limited ("Splendid Fortune"), each of the Company and Splendid Fortune is taken to be interested in the shares of Colour Life in which each other is interested for the purpose of Part XV of the SFO. As such, the Company, Fantasy Pearl, Ice Apex and Ms. Zeng Jie, Baby are also deemed to be interested in the shares of Colour Life in which Splendid Fortune is interested for the purpose of Part XV of the SFO.
- (3) These represent share options granted by Colour Life subject to vesting schedules.

C. Shenzhen Caizhiyun Network Technology Co., Ltd. ("Caizhiyun Network")

Director	Nature of interest	Registered capital (RMB)	Approximate percentage of interest in the associated corporation as at 30 June 2015
Mr. Pan Jun	Beneficial owner	7,000,000 ⁽¹⁾	70%

Note:

- (1) Caizhiyun Network is owned as to 70% by Mr. Pan Jun and 30% by Mr. Tang Xuebin. The financial results of Caizhiyun Network have been consolidated and accounted for as a subsidiary of Colour Life by virtue of certain structured contracts, details of which are disclosed in the section headed "History, Reorganization and the Group Structure" in Colour Life's prospectus dated 17 June 2014.

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.



SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name of shareholder	Nature of interest	Number of shares of the Company	Approximate percentage of interest in the Company as at 30 June 2015
Fantasy Pearl	Beneficial owner	3,302,166,000 ⁽¹⁾	57.32%
Ice Apex	Interest of controlled corporation	3,302,166,000 ⁽²⁾	57.32%
T. C. L. Industries Holdings (H.K.) Limited	Beneficial owner	985,613,074 ⁽³⁾	17.12%
TCL Corporation	Interest of controlled corporation	985,613,074 ⁽³⁾	17.12%

Notes:

- (1) Fantasy Pearl is owned as to 80% by Ice Apex and 20% by Graceful Star. Ice Apex is deemed to be interested in the shares of the Company held by Fantasy Pearl for the purpose of Part XV of the SFO.
- (2) Ice Apex is wholly owned by Ms. Zeng Jie, Baby. Ms. Zeng Jie, Baby is deemed to be interested in the shares of the Company held by Ice Apex for the purpose of Part XV of the SFO.
- (3) According to TCL Corporation's 2015 interim report dated 13 August 2015, as at 30 June 2015, T.C.L. Industries Holdings (H.K.) Limited held 985,613,074 shares of the Company representing 17.12% interest in the Company. T.C.L. Industries Holdings (H.K.) Limited is wholly owned by TCL Corporation. TCL Corporation is deemed to be interested in the shares held by T.C.L. Industries Holdings (H.K.) Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as of 30 June 2015, no other shareholder, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognized the importance of the shareholders' transparency and accountability. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

The Board comprises four executive Directors, two non-executive Directors and five independent non-executive Directors. The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances, and has full and timely access to all relevant information in relation to the Group's businesses and affairs, but the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess respectively professional qualifications and related management experience in the areas of financial accounting, law, global economy and real estate and have contributed to the Board with their professional opinions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code ("Corporate Governance Code") contained in Appendix 14 to the Listing Rules on the Stock Exchange. For the period throughout the six months ended 30 June 2015, the Board is of the view that the Company has complied with the code provisions under the Corporate Governance Code save for the following deviation:

- Code A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Pan Jun is the chairman of the Board and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Pan and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.
- Under Code A.6.7, the independent non-executive Directors and the non-executive Directors, as equal Board members, should attend the general meetings of the Company. However, due to other business commitment, Ms. Zeng Jie, Baby, the executive Director, Mr. Li Dong Sheng and Mr. Yuan Hao Dong, the non-executive Directors, and Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen and Mr. Guo Shaomu, the independent non-executive Directors, did not attend the annual general meeting of the Company held on 14 May 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry with all Directors whether the Directors have complied with the required standard as set out in the Model Code during the six months ended 30 June 2015 and all Directors confirmed that they have complied with the Model Code throughout such period.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rules 3.21 and 3.22 of the Listing Rules with specific written terms of reference in compliance with the Corporate Governance Code. The audit committee of the Company currently comprises five independent non-executive Directors, including Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu, while Mr. Ho Man is the chairman of the audit committee. The audit committee is responsible for the engagement of external auditor, review of the Group's financial information and oversight of the Group's financial reporting system and internal control and risk management procedures and reviewing the Group's financial and accounting policies and practices. The audit committee together with the management of the Company has reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 June 2015. The external auditors of the Company has also reviewed the unaudited interim results for the six months ended 30 June 2015.

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with Rules 3.25 and 3.26 of the Listing Rules with specific written terms of reference in compliance with the Corporate Governance Code. The remuneration committee currently comprises an executive Director, Mr. Pan Jun, and five independent non-executive Directors, Mr. Huang Ming, Mr. Ho Man, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu, while Mr. Huang Ming is the chairman of the remuneration committee. The remuneration committee is responsible for making recommendations to the Board on the Company's remuneration policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

NOMINATION COMMITTEE

The Company has established a nomination committee with specific written terms of reference in compliance with the Corporate Governance Code. The nomination committee currently comprises two executive Directors, Mr. Pan Jun and Ms. Zeng Jie, Baby, and five independent non-executive Directors, Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu, while Mr. Pan Jun is the chairman of the committee. The nomination committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment and re-appointment of Directors.



SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) by the written resolutions of the shareholders of the Company passed on 27 October 2009. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.



The summary below sets out the details of movement of the share options during the six months ended 30 June 2015 pursuant to the Share Option Scheme:

Name	Date of grant	Exercise price	Closing price of the shares on the date of grant	Balance as at 1 January 2015	Granted during the period	Number of share option		Balance as at 30 June 2015	Weighted average closing price immediately before exercise	Note
						Exercisable/ exercised during the period	Cancelled/ lapsed during the period			
		HK\$	HK\$						HK\$	
Mr. Pan Jun	29 August 2011	0.836	0.82	4,990,000	-	-	-	4,990,000	-	(2)
	16 October 2012	0.8	0.77	4,990,000	-	-	-	4,990,000	-	(3)
Ms. Zeng Jie, Baby	29 August 2011	0.836	0.82	4,990,000	-	-	-	4,990,000	-	(2)
	16 October 2012	0.8	0.77	4,990,000	-	-	-	4,990,000	-	(3)
Mr. Lam Kam Tong	16 October 2012	0.8	0.77	2,770,000	-	-	-	2,770,000	-	(3)
Mr. Wang Liang (resigned on 30 June 2015)	29 August 2011	0.836	0.82	2,310,000	-	-	-	2,310,000	-	(1), (4)
	29 August 2011	0.836	0.82	1,500,000	-	-	-	1,500,000	-	(2), (4)
	16 October 2012	0.8	0.77	2,770,000	-	-	-	2,770,000	-	(3), (4)
Mr. Ho Man	29 August 2011	0.836	0.82	800,000	-	-	-	800,000	-	(2)
	16 October 2012	0.8	0.77	800,000	-	-	-	800,000	-	(3)
Mr. Huang Ming	29 August 2011	0.836	0.82	800,000	-	-	-	800,000	-	(2)
	16 October 2012	0.8	0.77	800,000	-	-	-	800,000	-	(3)
Mr. Xu Quan (resigned on 17 February 2015)	29 August 2011	0.836	0.82	800,000	-	-	(800,000)	-	-	(2)
	16 October 2012	0.8	0.77	800,000	-	-	(800,000)	-	-	(3)
Other employees	29 August 2011	0.836	0.82	23,850,000	-	(273,360)	(3,875,000)	19,701,640	1.44	(1)
	29 August 2011	0.836	0.82	10,510,000	-	(1,025,000)	-	9,485,000	1.34	(2)
	16 October 2012	0.8	0.77	40,520,000	-	(285,600)	(8,632,400)	31,602,000	1.42	(3)
Total				108,990,000	-	(1,583,960)	(14,107,400)	93,298,640		

Notes:

- (1) The share options are exercisable during the following periods:
- (a) up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from 29 August 2011 to 28 August 2021 and after the grantee has satisfied the vesting conditions specified by the Board;
 - (b) up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 29 August 2011 to 28 August 2021 and after the Grantee has satisfied the vesting conditions specified by the Board; and
 - (c) up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 29 August 2011 to 28 August 2021 and after the Grantee has satisfied the vesting conditions specified by the Board.
- (2) The share options are exercisable during the following periods:
- (a) up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from the 29 August 2011 to 28 August 2021;
 - (b) up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 29 August 2011 to 28 August 2021; and
 - (c) up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 29 August 2011 to 28 August 2021.

- (3) The share options are exercisable during the following periods:
- (a) up to 10% of the share options granted to each grantee at any time after the expiration of 12 months from the 16 October 2012 to 15 October 2022 and after the grantee has satisfied the vesting conditions specified by the Board;
 - (b) up to 20% of the share options granted to each grantee at any time after the expiration of 24 months from 16 October 2012 to 15 October 2022 and after the grantee has satisfied the vesting conditions specified by the Board; and
 - (c) up to 70% of the share options granted to each grantee at any time after the expiration of 36 months from 16 October 2012 to 15 October 2022 and after the grantee has satisfied the vesting conditions specified by the Board.
- (4) The exercise period of the share option has been extended by one month from 30 June to 29 July 2015 at the discretion of the Board.

Colour Life adopted a share option scheme (“Colour Life Share Option Scheme”) by the written resolutions of the shareholders of Colour Life passed on 11 June 2014. The terms of the Colour Life Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The summary below sets out the details of movement of the share options during the six months ended 30 June 2015 pursuant to the Colour Life Share Option Scheme:

Name	Date of grant	Exercise price	Closing price of the shares on the date of grant	Balance as at 1 January 2015	Granted during the period	Number of share option		Balance as at 30 June 2015	Weighted average closing price immediately before exercise	Note
						Exercised during the period	Cancelled/lapsed during the period			
		HK\$	HK\$						HK\$	
Mr. Tang Xuebin	29 September 2014	6.66	6.66	547,790	–	–	–	547,790	–	(1)
				347,650				347,650		(2)
	30 April 2015	11.00	10.88	–	103,500	–	–	103,500	–	(3)
Mr. Dong Dong	29 September 2014	6.66	6.66	455,150	–	–	–	455,150	–	(1)
				347,650				347,650		(2)
	30 April 2015	11.00	10.88	–	123,500	–	–	123,500	–	(3)
Mr. Zhou Qinwei	29 September 2014	6.66	6.66	128,800	–	–	–	128,800	–	(1)
				338,500				338,500		(2)
	30 April 2015	11.00	10.88	–	123,500	–	–	123,500	–	(3)
Mr. Pan Jun	29 September 2014	6.66	6.66	547,790	–	–	–	547,790	–	(1)
				347,650				347,650		(2)
	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Mr. Lam Kam Tong	29 September 2014	6.66	6.66	150,000	–	–	–	150,000	–	(2)
	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Mr. Zhou Hongyi	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Mr. Tam Chun Hung, Anthony	29 September 2014	6.66	6.66	150,000	–	–	–	150,000	–	(2)
	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Dr. Liao Jianwen	29 September 2014	6.66	6.66	150,000	–	–	–	150,000	–	(2)
	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Mr. Xu Xinmin	29 September 2014	6.66	6.66	150,000	–	–	–	150,000	–	(2)
	30 April 2015	11.00	10.88	–	180,000	–	–	180,000	–	(3)
Employees of the Colour Life Group, a resigned non-executive director of Colour Life and certain minority shareholders of the Colour Life's subsidiaries	29 September 2014	6.66	6.66	18,320,470	–	(113,000)	(659,900)	17,547,570	10.98	(1)
				23,018,550			(1,918,200)	21,100,350		(2)&(4)
	30 April 2015	11.00	10.88	–	23,569,500	–	–	23,569,500	–	(3)
Total				45,000,000	25,000,000	(113,000)	(2,578,100)	67,308,900		

Notes:

- (1) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the date on which the share options were granted; (ii) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; and (iii) and the remaining one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016. The exercise period of these share options will expire on 28 September 2024.
- (2) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 29 September 2015; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 29 September 2016; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 29 September 2017. The exercise period of these share options will expire on 28 September 2024.
- (3) Such share options shall be vested in three tranches in accordance with the following dates: (i) one third of which shall be vested on the first anniversary of the date of grant, i.e. 30 April 2016; (ii) one third of which shall be vested on the second anniversary of the date of grant, i.e. 30 April 2017; and (iii) the remaining one third of which shall be vested on the third anniversary of the date of grant, i.e. 30 April 2018. The exercise period of these share options will expire on 29 April 2025.
- (4) The exercise period of 150,000 share options granted to Mr. Zeng Liqing, who resigned as non-executive director of Colour Life on 21 April 2015, has been extended at the discretion of the board of Colour Life.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company is empowered by the applicable laws of the Cayman Islands and its articles of association to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange. There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2015.

UPDATE ON DIRECTOR'S INFORMATION

Below is update on the Director's information required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules:

Mr. Ho Man was appointed as independent non-executive director of China Fire Safety Enterprise Group Limited (the shares of which are listed on the Stock Exchange, stock code: 445) on 29 July 2015.

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF FANTASIA HOLDINGS GROUP CO., LIMITED
花樣年控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)

◎ INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fantasia Holdings Group Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 55 to 84, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

◎ SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

◎ CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
13 August 2015

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June	
		2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Revenue		3,629,667	2,916,567
Cost of sales and services		(2,469,368)	(1,905,864)
Gross profit		1,160,299	1,010,703
Other income, gains and losses		5,491	(57,756)
Change in fair value of investment properties	9	175,115	35,144
Selling and distribution expenses		(122,962)	(99,923)
Administrative expenses		(371,457)	(279,798)
Finance costs		(160,094)	(155,087)
Share of results of associates		165	346
Share of results of joint ventures		(3,491)	(3,984)
Profit before tax		683,066	449,645
Income tax expense	4	(403,957)	(326,600)
Profit and total comprehensive income for the period	5	279,109	123,045
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		207,640	101,420
An owner of perpetual capital instrument		31,850	–
Other non-controlling interests		39,619	21,625
		279,109	123,045
Earnings per share (RMB cents)			
– Basic	7	3.61	1.77
– Diluted	7	3.59	1.76

At 30 June 2015

	NOTES	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,680,392	1,541,882
Investment properties	9	7,030,141	6,642,075
Interests in associates		6,328	1,753
Interests in joint ventures		413,877	609,981
Available-for-sale ("AFS") investment		–	38,910
Goodwill		444,522	133,918
Intangible assets		121,300	26,850
Prepaid lease payments		870,917	884,550
Premium on prepaid lease payments		174,008	175,847
Land development expenditure	10	–	667,965
Other receivables		488,876	376,841
Deposits paid for acquisition of subsidiaries		196,889	262,550
Deposit paid for acquisition of a property project		139,238	136,648
Deposit paid for acquisition of land use rights		1,025,583	1,005,685
Deferred tax assets	11	461,476	498,714
		13,053,547	13,004,169
CURRENT ASSETS			
Properties for sale		21,977,907	19,442,516
Prepaid lease payments		34,274	34,274
Premium on prepaid lease payments		3,678	3,678
Trade and other receivables	12	4,342,091	3,873,362
Amount due from a joint venture		156,316	149,855
Amounts due from customers for contract works		60,391	59,460
Tax recoverable		60,206	34,130
Financial assets designated at fair value through profit or loss ("FVTPL")	13	54,158	–
Restricted/pledged bank deposits		2,417,136	914,596
Bank balances and cash		2,067,272	3,738,040
		31,173,429	28,249,911
CURRENT LIABILITIES			
Trade and other payables	14	8,000,285	5,516,143
Deposits received for sale of properties		4,248,207	3,386,888
Amounts due to customers for contract works		6,016	8,195
Amount due to a non-controlling shareholder		379,683	419,960
Amounts due to joint ventures		1,988,022	996,467
Tax liabilities		3,118,996	3,016,193
Borrowings – due within one year	15	2,210,328	4,122,925
Obligations under finance leases		20,808	20,826
Senior notes	16	999,895	746,051
		20,972,240	18,233,648
NET CURRENT ASSETS		10,201,189	10,016,263
TOTAL ASSETS LESS CURRENT LIABILITIES		23,254,736	23,020,432

At 30 June 2015

	NOTES	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Borrowings – due after one year	15	4,009,236	3,651,475
Amount due to a non-controlling shareholder		323,123	686,667
Obligations under finance leases		106,430	119,749
Senior notes	16	6,230,180	6,022,081
Deferred tax liabilities	11	1,203,168	1,096,155
Provision		32,884	31,931
		11,905,021	11,608,058
		11,349,715	11,412,374
CAPITAL AND RESERVES			
Share capital	17	497,610	497,485
Reserves		8,908,222	8,955,574
Equity attributable to owners of the Company		9,405,832	9,453,059
Perpetual capital instrument		710,500	710,500
Other non-controlling interests		1,233,383	1,248,815
Total non-controlling interest		1,943,883	1,959,315
		11,349,715	11,412,374

For the six months ended 30 June 2015

	Attributable to owners of the Company										Attributable to non-controlling interests				
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Share options reserve RMB'000	Contribution reserve RMB'000	Statutory reserves RMB'000	Discretionary reserves RMB'000	Property revaluation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Perpetual capital instrument RMB'000	Share option reserve of Colour Life RMB'000	Other non-controlling interests RMB'000	Sub-total RMB'000	Total RMB'000
At 1 January 2014 (audited)	429,575	1,876,311	30,821	16,176	40,600	43,737	1,477	33,883	4,847,871	7,320,451	-	-	510,877	510,877	7,831,328
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	101,420	101,420	-	-	21,625	21,625	123,045
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	30,394	30,394	30,394
Issue of shares as consideration of acquisition of subsidiary	67,900	871,625	-	-	-	-	-	-	-	939,525	-	-	-	-	939,525
Issue of shares upon exercise of share option	7	74	-	(21)	-	-	-	-	60	60	-	-	-	60	
Dilution of interests in subsidiaries	-	-	298,063	-	-	-	-	-	-	298,063	-	-	412,151	412,151	710,214
Dividend recognised as distribution (note 6)	-	(306,054)	-	-	-	-	-	-	-	(306,054)	-	-	-	-	(306,054)
Recognition of equity-settled share-based payments	-	-	-	3,312	-	-	-	-	-	3,312	-	-	-	-	3,312
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	1,667	1,667	1,667	
Issue of perpetual capital instrument	-	-	-	-	-	-	-	-	-	-	700,000	-	-	700,000	700,000
Capitalisation of redeemable shares	-	-	-	-	-	-	-	-	-	-	-	6,177	6,177	6,177	
At 30 June 2014 (unaudited)	497,482	2,441,956	328,884	19,467	40,600	43,737	1,477	33,883	4,949,291	8,356,777	700,000	-	982,891	1,682,891	10,039,668
At 1 January 2015 (audited)	497,485	2,441,983	266,709	19,499	40,600	44,843	1,477	38,357	6,102,106	9,453,059	710,500	29,780	1,219,035	1,959,315	11,412,374
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	207,640	207,640	31,850	-	39,619	71,469	279,109
Acquisition of subsidiaries (note 18(b))	-	-	-	-	-	-	-	-	-	-	-	-	7,796	7,796	7,796
Issue of shares upon exercise of share options	125	1,297	-	(386)	-	-	-	-	-	1,036	-	-	-	-	1,036
Issue of shares upon exercise of share options of Colour Life Services Group Co., Limited ("Colour Life")	-	-	-	-	-	-	-	-	-	-	-	(93)	681	588	588
Share option lapsed	-	-	-	(2,723)	-	-	-	-	2,723	-	-	-	-	-	-
Dividend recognised as distribution (note 6)	-	(245,012)	-	-	-	-	-	-	-	(245,012)	-	-	-	-	(245,012)
Recognition of equity-settled share-based payments	-	-	-	1,007	-	-	-	-	-	1,007	-	31,287	-	31,287	32,294
Acquisition of additional interests in subsidiaries from non-controlling shareholders (note 18(c))	-	-	(41,709)	-	-	-	-	-	-	(41,709)	-	-	(369,411)	(369,411)	(411,120)
Disposal of partial interest in a subsidiary without loss of control (note 19(b))	-	-	29,811	-	-	-	-	-	-	29,811	-	-	270,189	270,189	300,000
Contribution from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	4,500	4,500	4,500	
Distribution to an owner of perpetual capital instrument	-	-	-	-	-	-	-	-	-	-	(31,850)	-	-	(31,850)	(31,850)
At 30 June 2015 (unaudited)	497,610	2,198,268	254,811	17,397	40,600	44,843	1,477	38,357	6,312,469	9,405,832	710,500	60,974	1,172,409	1,943,883	11,349,715

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June	
		2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES			
Cash from (used in) operations		1,719,741	(209,633)
Enterprise income tax ("EIT") paid		(138,971)	(465,844)
Land appreciation tax ("LAT") paid		(56,927)	(112,660)
Interest paid		(459,095)	(371,697)
		1,064,748	(1,159,834)
NET CASH USED IN INVESTING ACTIVITIES			
Deposit paid for acquisition of a property project		(2,590)	–
Increase in restricted bank deposits		(1,502,503)	(1,034,880)
Settlement of consideration payables for acquisition of assets and liabilities through acquisition of subsidiaries (in prior year)		(616,702)	–
Proceeds received from disposal of subsidiaries (in prior year)		286,446	–
Deposits paid for acquisition of a joint venture		–	(871,676)
Purchases of property, plant and equipment		(122,866)	(301,886)
Additions to investment properties		(139,484)	(140,922)
Acquisition of assets and liabilities through acquisition of subsidiaries (net of cash and cash equivalents acquired)	18(a)	41,418	(749,606)
Acquisition of business (net of cash and cash equivalents acquired)	18(b)	(246,673)	–
Capital injection to an associate		(4,410)	–
Interest received		18,739	19,455
Proceeds from disposal of property, plant and equipment		6,073	–
Proceeds from disposal of investment properties		9,205	–
Disposal of subsidiaries	19(a)	20,920	–
Disposal of partial interests in subsidiaries resulting in loss of control		–	(28,128)
Refund of deposits paid for acquisition of a subsidiary		5,436	91,900
Advance to a joint venture		(6,461)	(12,704)
		(2,253,452)	(3,028,447)
NET CASH (USED IN) FROM FINANCING ACTIVITIES			
Net proceeds from the issuance of senior notes		1,206,795	1,801,274
Repayment of senior notes		(733,956)	–
Issue of shares		–	939,525
Net proceeds from share offer of Colour Life		–	710,214
Net proceeds from issuance of perpetual capital instrument		–	700,000
Contributions from non-controlling shareholders		4,500	1,667
New borrowings raised		1,502,800	2,437,143
Repayment of borrowings		(3,456,119)	(1,923,502)
Dividend paid to owners of perpetual capital instrument		(31,850)	–
Dividend paid to shareholders of the Company		(245,012)	(306,054)
Acquisition of additional interest in a subsidiary	18(c)(i)	(11,880)	–
Disposal of partial interest in a subsidiary without loss of control	19(b)	300,000	–
Repayment of obligations under finance leases		(10,404)	(18,945)
Issue of shares upon exercise of share options		1,036	60
Issue of shares upon exercise of share options – Colour Life		588	–
Advance from joint ventures		991,555	–
Other financing cash flows		–	31
		(481,947)	4,341,413
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,670,651)	153,132
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		3,738,040	2,776,879
Effect of foreign exchange rate changes		(117)	4,066
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash		2,067,272	2,934,077

For the six months ended 30 June 2015

© 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) (“Interim Financial Reporting”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

© 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost convention, except for the investment properties and certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied for the first time, the following new and revised interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new and revised amendments to HKFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

For the six months ended 30 June 2015

© 3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2015

	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Reportable segment total RMB'000	Eliminations RMB'000	Total RMB'000
SEGMENT REVENUE (unaudited)								
External sales	3,116,395	96,784	8,623	333,251	74,614	3,629,667	–	3,629,667
Inter-segment sales	53,289	–	–	23,113	–	76,402	(76,402)	–
Total	3,169,684	96,784	8,623	356,364	74,614	3,706,069	(76,402)	3,629,667
Segment profit (loss)	645,843	155,033	8,472	143,073	(7,480)	944,941	–	944,941

Six months ended 30 June 2014

	Property development RMB'000	Property investment RMB'000	Property agency services RMB'000	Property operation services RMB'000	Hotel operations RMB'000	Reportable segment total RMB'000	Eliminations RMB'000	Total RMB'000
SEGMENT REVENUE (unaudited)								
External sales	2,598,854	60,235	7,552	207,360	42,566	2,916,567	–	2,916,567
Inter-segment sales	56,396	–	–	32,743	–	89,139	(89,139)	–
Total	2,655,250	60,235	7,552	240,103	42,566	3,005,706	(89,139)	2,916,567
Segment profit (loss)	608,755	36,269	6,500	101,854	(4,586)	748,792	–	748,792

Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of central administration costs and directors' salaries, interest income, exchange gain (loss), share of results of associates and joint ventures, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

For the six months ended 30 June 2015

© 3. SEGMENT INFORMATION (CONTINUED)

Reconciliation:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Segment profit	944,941	748,792
Unallocated amounts:		
Unallocated income, gains and losses	26,088	(64,324)
Unallocated corporate expenses	(124,543)	(76,098)
Finance costs	(160,094)	(155,087)
Share of results of associates	165	346
Share of results of joint ventures	(3,491)	(3,984)
Profit before tax	683,066	449,645

The following is an analysis of the Group's assets by reportable and operating segments:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Property development	27,930,027	26,161,619
Property investment	6,783,641	6,875,227
Property agency services	11,098	11,731
Property operation services	1,228,208	1,203,359
Hotel operations	1,150,899	955,256
Total segment assets	37,103,873	35,207,192
Total unallocated assets	7,123,103	6,046,888
Group's total assets	44,226,976	41,254,080

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers also review the segment assets attributable to each operating segment, which comprises assets other than interests in associates and joint ventures, amount due from a joint venture, restricted/pledged bank deposits, bank balances and cash and other corporate assets.

For the six months ended 30 June 2015

© 4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax in the People's Republic of China (the "PRC")		
EIT	217,843	155,513
LAT	73,223	161,104
	291,066	316,617
Deferred tax:		
Current period (note 11)	112,891	9,983
	403,957	326,600

© 5. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit and total comprehensive income for the period has been arrived at after charging:		
Net exchange (gain) loss	(27,024)	83,779
Interest income	(18,739)	(19,455)
Release of prepaid lease payments	13,633	12,742
Release of premium on prepaid lease payments	1,839	5,426
Depreciation of property, plant and equipment	78,092	39,459
Amortisation of intangible assets	3,598	454
Allowance for doubtful debts on trade and other receivables	44,188	5,294
Staff costs (including in administrative expenses)	157,060	97,701

© 6. DIVIDENDS

During the current interim period, a final dividend of HK5.39 cents per share in respect of the year ended 31 December 2014 (2014: HK6.68 cents) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current period amounted to RMB245,012,000 (2014: RMB306,054,000).

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2015.

For the six months ended 30 June 2015

© 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	207,640	101,420
Effect of dilutive potential ordinary shares:		
Share options – Colour Life	(98)	–
Earnings for the purpose of diluted earnings per share	207,542	101,420
Number of shares:		
Number of ordinary shares for the purpose of basic earnings per share	5,757,887,526	5,738,142,711
Effect of dilutive potential ordinary shares:		
Share options	24,585,063	15,804,453
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,782,472,589	5,753,947,164

© 8. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the current interim period are summarised as follows:

	RMB'000
At 1 January 2015 (audited)	1,541,882
Additions	128,011
Acquisition of subsidiaries (note 18)	94,664
Depreciation for the period	(78,092)
Disposals	(6,073)
At 30 June 2015 (unaudited)	1,680,392

For the six months ended 30 June 2015

© 9. INVESTMENT PROPERTIES

The movements in investment properties during the current interim period are summarised as follows:

	Completed investment properties RMB'000	Investment properties under construction RMB'000	Total RMB'000
FAIR VALUE			
At 1 January 2015 (audited)	4,633,480	2,008,595	6,642,075
Additions	–	206,789	206,789
Transfer upon completion of construction work	1,598	(1,598)	–
Disposals	(9,205)	–	(9,205)
Net change in fair value recognised in profit or loss	14,531	160,584	175,115
Acquisition of subsidiaries (note 18(b))	15,367	–	15,367
At 30 June 2015 (unaudited)	4,655,771	2,374,370	7,030,141

As at 30 June 2015, the fair values of the Group's completed investment properties of RMB4,655,771,000 (31 December 2014: RMB4,633,480,000) and investment properties under development of RMB2,374,370,000 (31 December 2014: RMB2,008,595,000) were arrived at on the basis of a valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent qualified professional valuers not connected with the Group, which has appropriate qualifications and recent experiences in valuation of similar properties in the relevant locations.

The valuation of completed investment properties amounting to RMB4,582,417,000 (31 December 2014: RMB4,596,470,000) was arrived at by reference to net rental income allowing for reversionary income potential and valuation of completed investment properties amounting to RMB73,354,000 (31 December 2014: RMB54,168,000) was arrived at by reference to market evidence of recent transaction prices for similar properties in the similar locations and conditions, where appropriate. The valuation of investment properties under construction is arrived at by residual method, which is based on market observable transactions of similar properties and taken into account the construction costs that will be expended to complete the development and the remaining balance was arrived at by reference to market evidence of recent transaction prices for similar properties in the similar locations and conditions, where appropriate.

The investment properties amounting to RMB952,362,000 and RMB6,077,779,000 are held under medium-term and long-term leases in the PRC, respectively.

For the six months ended 30 June 2015

© 10. LAND DEVELOPMENT EXPENDITURE

In March 2011, the Group entered into an agreement (“Agreement 1”) with the People’s Government of Chengdu (“Chengdu Government”) relating to the development of the Wu Gui Qiao Town located in Jinjiang area, Chengdu, Sichuan Province (“Land Development Project”). Under the Agreement 1, the Group is required to jointly construct the ancillary facilities on these parcels of land pursuant to the guidelines set by the Chengdu Government while the Chengdu Government is required to complete the demolition and resettlement work, arrange public auction and pay certain percentage of sale proceeds received in public auction to the Group by reference to the formula set out in the Agreement 1.

In March 2015, the Group entered into an agreement (“Agreement 2”) with Chengdu Government relating to the cancellation of the Agreement 1 and revision of the terms of the Land Development Project. Under the Agreement 2, the Chengdu Government is required to return the cost incurred for constructing the ancillary facilities invested in by the Group and pay the project management fee at 5% per annum based on the accumulated costs incurred by the Group in instalments as stipulated in the Agreement 2. During the period ended 30 June 2015, RMB75,930,000 has been settled by Chengdu Government.

The outstanding balance of RMB592,035,000 which represented the accumulated costs incurred on the Land Development Project after deduction of the refund received from Chengdu Government was reclassified to other receivables during the interim period. Pursuant to the Agreement 2, Chengdu Government has to settle the receivables amounting to RMB480,000,000 on or before 30 June 2016 (classified as current assets) and remaining balance of RMB112,035,000 on or before 30 August 2016 (classified as non-current assets).

The movements of land development expenditure during the period are as follows:

	RMB’000
At 1 January 2015 (audited)	667,965
Repayment from Chengdu Government	(75,930)
Transfer to other receivables	(592,035)
At 30 June 2015 (unaudited)	–

For the six months ended 30 June 2015

© 11. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current interim period:

	Fair value change of investment properties RMB'000	Revaluation of other properties RMB'000	Temporary difference on accruals RMB'000	Tax losses RMB'000	Intangible assets RMB'000	Others RMB'000 (note)	Total RMB'000
At 1 January 2015 (audited)	1,157,227	22,959	(43,369)	(173,901)	6,712	(372,187)	597,441
Charge (credit) to profit or loss	105,555	–	(14,613)	19,405	(900)	3,444	112,891
Acquisition of subsidiaries (note 18(b))	609	12,140	(5,901)	–	24,512	–	31,360
At 30 June 2015 (unaudited)	1,263,391	35,099	(63,883)	(154,496)	30,324	(368,743)	741,692

Note: Others mainly represent the deductible temporary difference arising from LAT provision.

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

	30 June 2015 RMB'000 (unaudited)	31 December 2014 RMB'000 (audited)
Deferred tax assets	(461,476)	(498,714)
Deferred tax liabilities	1,203,168	1,096,155
	741,692	597,441

For the six months ended 30 June 2015

© 12. TRADE AND OTHER RECEIVABLES

Trade receivables are mainly arisen from sales of properties, rental income derived from investment properties, agency fee income in respect of property rentals, service and management income in respect of property management.

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade receivables	1,043,672	1,034,555
Prepayments and other deposits	249,876	103,146
Prepayments to suppliers	213,041	187,386
Prepayments for construction work	1,303,748	1,262,129
Consideration receivable on disposal of a subsidiary	–	286,446
Consideration receivable on disposal of partial interests in subsidiaries resulting in loss of control (note 18(a))	–	206,410
Consideration receivables on disposal of partial interests in subsidiaries without loss of control	–	162,250
Amount due from Pixian Government	135,989	135,989
Amount due from Chengdu Government (note 10)	480,000	–
Loan receivables (note)	181,647	154,714
Other tax prepayments	212,103	173,613
Other receivables	522,015	166,724
	4,342,091	3,873,362

Note: At 30 June 2015, the Group has loan receivables of RMB181,647,000, which is unsecured, interest bearing at fixed rate at 15.6% and repayable within one year.

The following is an aging analysis of trade receivables of the Group net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
0 to 30 days	607,766	617,505
31 to 90 days	91,716	101,979
91 days to 180 days	86,071	72,856
181 to 365 days	162,180	141,341
Over 1 year	95,939	100,874
	1,043,672	1,034,555

For the six months ended 30 June 2015

© 13. FINANCIAL ASSETS DESIGNATED AT FVTPL

During the current interim period, the Group invested in money market funds issued by a reputable securities corporation through acquisition of Shenzhen Kaiyuan International Property Management Company Limited (“Shenzhen Kaiyuan”). The return and principal were not guaranteed by the securities corporation and the value of the funds varies by reference to the performance of the underlying investments comprising mainly debt investments in PRC including government debentures, treasury notes, corporate bonds and short-term fixed deposits. The investments in money market funds have been designated at FVTPL at initial recognition as the investments are managed and the performance is evaluated on fair value basis. As at 30 June 2015, the principal of the investments in the money market funds are approximately RMB54,158,000 (2014: nil). In the opinion of directors, the fair value of investment at 30 June 2015 approximated their principal amounts.

© 14. TRADE AND OTHER PAYABLES

The following is an aging analysis of the Group’s trade payables and retention payable presented based on the invoice date at the end of the reporting period:

	30 June 2015 RMB’000 (unaudited)	31 December 2014 RMB’000 (audited)
0 to 60 days	2,333,134	2,774,979
61 to 180 days	894,974	260,645
181 days to 365 days	1,261,971	507,270
1 to 2 years	659,242	118,654
2 to 3 years	98,654	11,014
Over 3 years	4,644	40,855
	5,252,619	3,713,417

© 15. BORROWINGS

	30 June 2015 RMB’000 (unaudited)	31 December 2014 RMB’000 (audited)
Bank loans	5,444,564	6,174,400
Other loans	775,000	1,600,000
	6,219,564	7,774,400
Secured	5,747,764	7,636,242
Unsecured	471,800	138,158
	6,219,564	7,774,400

For the six months ended 30 June 2015

© 15. BORROWINGS (CONTINUED)

During the current interim period, the Group obtained new borrowings amounting to RMB1,502,800,000 (six months ended 30 June 2014: RMB2,437,143,000) and repaid borrowings amounting to RMB3,456,119,000 (six months ended 30 June 2014: RMB1,923,502,000).

Carrying amount repayable:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Within one year	2,210,328	4,122,925
More than one year	4,009,236	3,651,475
	<u>6,219,564</u>	<u>7,774,400</u>

The new borrowings raised are denominated in Renminbi. The new borrowings raised in the current interim period carry interest at variable rate of the PRC Benchmark Borrowing Rate plus 3.2% per annum or fixed rate ranging from 3.2% to 5.8% per annum.

© 16. SENIOR NOTES

In addition to the 2010 senior notes, 2012 senior notes, 2013 – January senior notes, 2013 – May senior notes and 2014 senior notes, the Company newly issued senior notes in an aggregate principal amount of USD200,000,000 on 27 May 2015 which are guaranteed by certain equity interests of the subsidiaries of the Company. The issue price is 99.26% of the principal amount. The senior notes are listed on the Singapore Exchange Securities Trading Limited and carry interest of 11.50% per annum and interest is payable semi-annually on 1 June and 1 December in arrears. The senior notes will mature on 1 June 2018, unless redeemed earlier.

The movements of the liability component in the senior notes during the current interim period are set out below:

	RMB'000
At 1 January 2015 (audited)	6,768,132
Net proceeds on the date of issuance	1,206,795
Interest expenses	387,119
Exchange gain	(22,473)
Less: interest paid to notes holders	(375,542)
Less: repayment of 2010 senior notes	(733,956)
At 30 June 2015 (unaudited)	<u>7,230,075</u>

For the six months ended 30 June 2015

© 16. SENIOR NOTES (CONTINUED)

Carrying amount repayable:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Within one year	999,895	746,051
More than one year	6,230,180	6,022,081
	<u>7,230,075</u>	<u>6,768,132</u>

© 17. SHARE CAPITAL

	Number of shares	Amount HK\$	Equivalent to RMB'000
Ordinary shares of HK\$0.1 each			
Authorised:			
At 1 January 2015 and 30 June 2015	8,000,000,000	800,000,000	704,008
Issued and fully paid:			
At 1 January 2015	5,757,458,024	575,745,802	497,485
Issue of shares upon exercise of share options	1,583,960	158,396	125
At 30 June 2015	<u>5,759,041,984</u>	<u>575,904,198</u>	<u>497,610</u>

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES

(a) Acquisition of assets and liabilities through acquisition of a subsidiary

On 31 March 2014, the Group disposed 51% equity interests in Ningbo Century Huafeng Property Company Limited 寧波世紀華豐房產有限公司 (“Huafeng”), an indirectly wholly owned subsidiary of the Company, to an independent third party at a cash consideration of RMB206,410,000, which should be settled before 31 March 2015, resulting in loss of control upon completion of the transaction. Due to the financial difficulty of the buyer, the consideration cannot be settled and on 31 March 2015 as stipulated in the sale agreement, the Group and the buyer entered into a termination agreement pursuant to which the transaction for the disposal of 51% equity interest in Huafeng was terminated and the consideration receivable of RMB206,410,000 due from the buyer is waived. The Group obtained the control of Huafeng subsequent to the termination of the agreement. Huafeng is principally engaged in property development which holds properties under development in the PRC.

The above transaction is accounted for as purchase of assets and liabilities. Details of the net assets acquired in respect of the above transaction are summarised below:

	RMB'000
Net assets acquired	
Property, plant and equipment	1,488
Property under development	1,138,188
Trade and other receivables	42,393
Amounts due from certain subsidiaries of the Company	106,191
Tax recoverable	27,354
Bank balances and cash	41,418
Trade and other payables	(13,019)
Deposits received for sale of properties	(547,390)
Borrowings – due after one year	(397,600)
	399,023
Identifiable net assets attributable previously recognised as recognised as interest in a joint venture before execution of termination agreement:	(192,613)
	206,410
Total consideration satisfied by:	
Consideration receivable related to disposal of Huafeng to be waived upon termination	206,410
Net cash inflow arising on acquisition	
Bank balances and cash acquired	41,418

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(b) Acquisitions of businesses

During the current interim period, the Group acquired following at a total cash consideration of RMB535,936,000. The aforesaid subsidiaries were acquired so as to continue the expansion of the Group's property operation.

Name of subsidiaries acquired	Consideration RMB'000	Acquisition date	Equity interest acquired %	Principal activities
蘇州悅華置合物業服務有限公司 Suzhou Yuihua Zhihe Property Service Company Limited	30,889	1 January	85%	Provision of property operation services
蘇州易亞物業管理有限公司 Suzhou Yiya Property Management Company Limited	19,464	1 January	90%	Provision of property operation services
徐州市濱湖花園物業管理有限公司 Xuzhou Binhu Huayuan Property Management Company Limited	7,880	1 January	90%	Provision of property operation services
廣西南寧瀚新物業服務有限公司 Guangxi Nanning Hanxin Property Service Company Limited	3,280	1 January	80%	Provision of property operation services
撫州鴻德物業有限公司 Fuzhou Hongde Property Company Limited	2,880	1 January	90%	Provision of property operation services
長沙高盛物業管理有限公司 Changsha Gaosheng Property Management Company Limited	2,280	31 January	80%	Provision of property operation services
鐵嶺世紀中天物業管理有限公司 Tieling Shiji Zhongtian Property Management Company Limited	1,590	1 January	100%	Provision of property operation services

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(b) Acquisitions of businesses (Continued)

Name of subsidiaries acquired	Consideration RMB'000	Acquisition date	Equity interest acquired %	Principal activities
沈陽天盛河畔物業管理有限公司 Shenyang Tiansheng Hegan Property Management Company Limited	1,500	1 January	95%	Provision of property operation services
南昌名泰物業管理有限公司 Nanchang Mingtai Property Management Company Limited	1,000	1 January	90%	Provision of property operation services
清遠市大管家物業管理有限公司 Qingyuan Daganjia Property Management Company Limited	900	1 January	80%	Provision of property operation services
陝西彩逸飛物業管理有限公司 Shanxi Caiyifei Property Management Company Limited	500	1 January	100%	Provision of property operation services
陝西鑫昌物業管理有限公司 Shanxi Xinchang Property Management Company Limited	– (note)	1 January	90%	Provision of property operation services
寧夏天雨子越物業服務有限公司 Ningxia Tianyuzi Property Service Company Limited	– (note)	1 January	80%	Provision of property operation services
世紀物業管理有限公司 Shiji Property Management Company Limited	1,187	18 February	85%	Provision of property operation services
鞍山市大德物業有限公司 Anshan Dade Property Management Company Limited	1,580	31 March	80%	Provision of property operation services

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(b) Acquisitions of businesses (Continued)

Name of subsidiaries acquired	Consideration RMB'000	Acquisition date	Equity interest acquired %	Principal activities
深圳市開元國際物業管理有限公司 Shenzhen Kaiyuan International Property Management Company Limited	330,000	17 June	100%	Provision of property operation services
常州江南中鑫物業服務有限公司 Changzhou Jiangnan Zhongxin Property Service Company Limited	57,063	30 June	80%	Provision of property operation services
蘇州萬寶物業管理有限公司 Suzhou Wanbao Property Management Company Limited	37,323	30 June	70%	Provision of property operation services
揚州市恒久物業服務發展有限公司 Yangzhou Hengjiu Property Service Development Company Limited	10,660	30 June	80%	Provision of property operation services
廈門市創優物業管理有限公司 Xiamen Chuangyou Property Management Company Limited	10,040	30 June	70%	Provision of property operation services
河南瑞祥物業管理有限公司 Henan Ruixiang Property Management Company Limited	6,160	30 June	80%	Provision of property operation services
贛州錦通物業管理有限公司 Ganzhou Jintong Property Management Company Limited	5,570	30 June	100%	Provision of property operation services
桂林市仁和物業服務有限公司 Guilin Renhe Property Service Company Limited	4,190	30 June	70%	Provision of property operation services

Note: Consideration incurred less than RMB1,000.

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(b) Acquisitions of businesses (Continued)

Total consideration transferred	RMB'000
Cash	377,175
Deposits paid for acquisition of subsidiaries in 2014	60,225
Consideration payables included in other payables	98,536
	535,936

Acquisition-related costs were insignificant and have been recognised as an expense in the current interim period and included in the “administrative expenses” line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the dates of acquisitions are as follows:

	RMB'000
Property, plant and equipment	93,176
Investment properties	15,367
Intangible assets	98,048
Deferred tax assets	5,901
Trade and other receivables	115,415
Financial assets at fair value through profit and loss	54,158
Restricted bank deposits	37
Bank balances and cash	130,502
Trade and other payables	(219,003)
Amount due to a subsidiary of the Company	(14,000)
Tax liabilities	(8,913)
Deferred tax liabilities	(37,261)
Borrowings	(299)
	233,128

The trade and other receivables acquired with a fair value of RMB115,415,000 approximate its gross contractual amount.

Non-controlling interests

The non-controlling interests arising from the acquisitions of non-wholly owned subsidiaries were measured by reference to the proportionate share of the fair value of the acquiree’s net identifiable assets at the acquisition date and amounted to RMB7,796,000.

For the six months ended 30 June 2015

© 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(b) Acquisitions of businesses (Continued)

Goodwill arising on acquisitions

	RMB'000
Consideration transferred	535,936
Non-controlling interests	7,796
Less: fair value of net assets acquired	(233,128)
Goodwill arising on acquisitions	310,604

Intangible assets of RMB98,048,000 in relation to the acquisition of subsidiaries under property management segment have been recognised by the Group. The intangible assets which are the property management contracts and customer relationship have estimated future useful lives of 10 years and amortised on a straight line basis over the estimated useful lives.

At the dates of acquisitions in 2015, goodwill of RMB310,604,000 has been determined provisionally based on the acquirees' provisional fair value of net identifiable assets acquired.

Net cash outflow arising on acquisitions

	RMB'000
Cash consideration paid	377,175
Less: bank balances and cash acquired	(130,502)
	246,673

(c) Acquisitions of additional interests in subsidiaries

- (i) During the period ended 30 June 2015, the Group acquired additional 36% equity interest in Shenzhen Guozhengxiangqian Investment Development Company Limited 深圳市國正向前投資發展有限公司 ("Guozheng") from a non-controlling shareholder. The difference between the consideration of RMB11,880,000 and proportionate share of the Guazheng's net assets of RMB9,831,000 attributable to the Group was charged to the special reserve of RMB2,049,000.

For the six months ended 30 June 2015

◎ 18. ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

(c) Acquisitions of additional interests in subsidiaries (Continued)

- (ii) During the year ended 31 December 2014, the Group disposed of its 49% and 40% equity interests in Guilin Wanhao Property Development Company Limited 桂林萬豪房地產開發有限公司 (“Wanhao”) and Chengdu Zhifu Property Development Company Limited 成都置富房地產開發有限公司 (“Zhifu”) respectively, indirectly wholly owned subsidiaries of the Company, to an independent third party at a total cash consideration of RMB399,240,000, which should be settled before 31 March 2015. Due to the financial difficulty of the buyer, the consideration cannot be settled on 31 March 2015 as stipulated in the sale and purchase agreements, the Group and the buyer entered into termination agreements pursuant to which the transaction for the disposal of 49% and 40% equity interest in Wanhao and Zhifu was terminated and the consideration receivable of RMB399,240,000 due from the buyer is waived. The Group acquired additional 49% and 40% equity interests of Wanhao and Zhifu from non-controlling shareholders. The difference between the consideration of RMB399,240,000 and proportionate share of the subsidiaries’ net assets of RMB359,580,000 attributable to the Group was charged to the special reserve of RMB39,660,000. Wanhao and Zhifu were engaged in provision of property development which holds properties under development in the PRC.

◎ 19. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries

On 8 January 2015, the Group disposed of its AFS investment through the disposal of the entire equity interests of its holding companies to an independent third party for a total cash consideration of RMB40,382,000.

The above transaction is accounted for as disposal of subsidiaries. Details of the net assets disposed in respect of the above transaction is summarised below:

	RMB'000
Consideration satisfied by:	
Cash	20,920
Consideration payables related to acquisition of the holding company of AFS investment to be offset upon the disposal	19,462
	40,382
Analysis of assets and liabilities over which control was lost:	
AFS investment	38,910
Amount due to a subsidiary of the Company	(118)
Net assets disposed of	38,792
Gain on disposal of subsidiaries:	
Total consideration	40,382
Net assets disposed of	(38,792)
Gain on disposal included in other income, gains and losses	1,590
Net cash inflow arising on disposal:	
Cash consideration	20,920

For the six months ended 30 June 2015

© 19. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) Disposal of partial interest in a subsidiary without loss of control

During the period ended 30 June 2015, the Group disposed of its 45% equity interest in TCL King Electronics (Shenzhen) Company Limited TCL王牌電子(深圳)有限公司 (“TCL”), which was held by the Group, to an independent third party, for a cash consideration of RMB300,000,000. TCL was engaged in provision of property development.

The difference of RMB29,811,000 between the consideration amounting to RMB300,000,000 and the proportionate share of TCL’s net assets held by the non-controlling shareholder amounting to RMB270,189,000 was credited to the special reserve of the Group.

© 20. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 June 2015 RMB’000 (unaudited)	31 December 2014 RMB’000 (audited)
Within one year	3,758	7,997
In the second to the fifth year inclusive	4,600	6,280
	8,358	14,277

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	30 June 2015 RMB’000 (unaudited)	31 December 2014 RMB’000 (audited)
Within one year	127,366	123,237
In the second to the fifth year inclusive	315,414	328,331
After the fifth year	61,895	77,661
	504,675	529,229

For the six months ended 30 June 2015

© 21. CAPITAL AND OTHER COMMITMENTS

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Construction commitments in respect of properties for sale contracted for but not provided in the condensed consolidated financial statements	3,009,187	4,307,410
Construction commitments in respect of investment properties contracted for but not provided in the condensed consolidated financial statements	137,949	138,089
Consideration commitments in respect of acquisition of subsidiaries contracted for but not provided in the condensed financial statements	35,244	21,335
Consideration commitments in respect of capital expenditure in respect of the acquisition of property, plant and equipment authorised but not yet contracted	134,143	134,532
Consideration commitments in respect of acquisition of subsidiaries authorised but not yet contracted	236,697	241,936

© 22. SHARE OPTION SCHEME

(a) The Company

The Group recognised the total expense of RMB1,007,000 for the period ended 30 June 2015 (2014: RMB3,312,000) in relation to share options granted by the Company and there is no movement of the share options of the Company during the current interim period.

(b) Colour Life

On 30 April 2015, Colour Life Services Group Co., Ltd. ("Colour Life"), a subsidiary of the Company, granted share options ("Colour Life's share options") to its directors and eligible employees of Colour Life and certain non-controlling shareholders of Colour Life's subsidiaries to subscribe for a total of 25,000,000 ordinary shares of HK\$0.10 each in Colour Life with exercise price of HK\$11.00 per share under the share option scheme of Colour Life ("Colour Life's Scheme") which was adopted pursuant to a resolution passed on 11 June 2014.

As at 30 June 2015, the total number of shares to be issued upon the exercise of all options granted under the Colour Life's Scheme is 67,309,000 (2014: 45,000,000) of HK\$0.1 each, representing 7.0% (2014: 4.5%) of the issued share capital of Colour Life.

For the six months ended 30 June 2015

© 22. SHARE OPTION SCHEME (CONTINUED)

(b) Colour Life (Continued)

The following table discloses movements of Colour Life's share options held by directors, employees and certain non-controlling shareholders of Colour Life's subsidiaries during the period ended 30 June 2015:

Category of Grantees	Date of grant	Vesting period	Outstanding at 1 January 2015 '000 (audited)	Granted during the period '000	Cancelled/ lapsed during the period '000	Exercised during the period '000	Outstanding at 30 June 2015 '000 (unaudited)
Directors	29 September 2014	N/A	560	–	–	–	560
		29.9.2014–28.9.2015	1,270	–	–	–	1,270
		29.9.2014–28.9.2016	1,270	–	–	–	1,270
		29.9.2014–28.9.2017	711	–	–	–	711
	30 April 2015	30.4.2015–29.4.2016	–	477	–	–	477
		30.4.2015–29.4.2017	–	477	–	–	477
		30.4.2015–29.4.2018	–	476	–	–	476
			3,811	1,430	–	–	5,241
Employees and certain non- controlling shareholders of Colour Life's subsidiaries	29 September 2014	N/A	6,107	–	(220)	(113)	5,774
	29 September 2014	29.9.2014–28.9.2015	13,730	–	(859)	–	12,871
		29.9.2014–28.9.2016	13,730	–	(859)	–	12,871
		29.9.2014–28.9.2017	7,622	–	(640)	–	6,982
		30 April 2015	30.4.2015–29.4.2016	–	7,857	–	–
	30.4.2015–29.4.2017		–	7,857	–	–	7,857
	30.4.2015–29.4.2018		–	7,856	–	–	7,856
			41,189	23,570	(2,578)	(113)	62,068
Total			45,000	25,000	(2,578)	(113)	67,309

For the six months ended 30 June 2015

© 22. SHARE OPTION SCHEME (CONTINUED)

(b) Colour Life (Continued)

The closing price of Colour Life's shares on 30 April 2015, the date of grant was HK\$10.88. Binomial Option Pricing Model had been used to estimate the fair value of Colour Life's options. The variables and assumptions used in computing the fair value of the share options are based on Colour Life's best estimate. The value of the Colour Life's option varies with different variables of certain subjective assumptions. The inputs into the model are as follows:

	29 September 2014	30 April 2015
Market price	HK\$6.66	HK\$10.88
Exercise price	HK\$6.66	HK\$11.00
Expected volatility	48.82%	46.26%
Risk-free rate	2.01%	1.63%
Expected dividend yield	0.00%	0.83%

The Group recognised the total expense of RMB31,287,000 for the period ended 30 June 2015 (2014: nil) in relation to share options granted by Colour Life.

© 23. CONTINGENT LIABILITIES

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
(a) Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	5,618,691	4,778,135

In the opinion of the directors, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
(b) Financial guarantees given to bank for the banking facilities granted to a joint venture	509,799	518,925

For the six months ended 30 June 2015

© 24. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks as securities against general banking facilities granted to the Group:

	30 June 2015	31 December 2014
	RMB'000	RMB'000
	(unaudited)	(audited)
Property, plant and equipment	419,978	521,182
Investment properties	1,549,724	1,644,819
Properties under development	5,629,699	5,832,326
Prepaid lease payments	718,467	987,519
Bank balances	1,625,703	795,020
Pledged shares	797,078	201,135
	10,740,649	9,982,001

© 25. RELATED PARTY DISCLOSURES

Other than disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions with related parties during the period:

- (a) During the interim period, the Group had the following significant transactions with related parties:
Six months ended 30 June

Related parties	Relationship	Transactions	2015	2014
			RMB'000	RMB'000
			(unaudited)	(unaudited)
Shenzhen Cube Architecture Designing Consultants Company Limited	Company controlled by Ms. Zeng Jie, Baby, the controlling shareholder and the director of the Company	Design service fee income	500	696

For the six months ended 30 June 2015

© 25. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term benefit	43,640	32,842
Post-employment benefit	2,825	2,492
Share-based payments	1,668	3,312
	48,133	38,646

© 26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Except for the following financial liabilities, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate their fair values.

	Fair value hierarchy	30 June 2015		31 December 2014	
		Carrying amount	Fair value	Carrying amount	Fair value
		RMB'000	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)	(audited)	(audited)
Senior notes	Level 1	7,230,075	7,122,299	6,768,132	6,333,896

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 01777

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O.Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEAD OFFICE IN HONG KONG

Room 1202-03
New World Tower I
16-18 Queen's Road Central
Hong Kong

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA CHINA

Block A, Funian Plaza
Shihua Road and Zijing Road
Interchange in Futian Duty-free Zone
Shenzhen 518048
Guangdong Province, China

www.cnfantasia.com