



Company Operation Information

Annual Review: The eight major business segments helped to embody the “Fantasia model” for property developers who are seeking to transform their business models

2014 marked the beginning of a new equilibrium in China’s economy, and the transformation of the country’s property market.. During the year, Fantasia was the first among its peers to propose a comprehensive transformation strategy: transforming itself into an integrated service provider from a property developer. Fantasia achieved the sales target of RMB10 billion and, at the same time, press ahead with the transformation with an asset-light model and its eight major business segments.

On 30 June, 2014, Colour Life Services Group (Stock Code: 1778), which is Fantasia’s subsidiary, was listed on the main





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board of the stock exchange of Hong Kong and has greatly enhanced the company's capital operation capability and brand premium. As of 31 December, 2014, the properties developed and managed by Colour Life in the country had a combined G.F.A. of 200 million sq.m.. Fantasia's advantage as a market leader in terms of scale continues to be strengthened.

Leveraging Colour Life's capital and branding, Fantasia's other businesses were accelerating their development. Fantasia's financial business is the first in the financial industry to propose the concept of "financial community" by using internet banking model creatively to construct a financial value chains between its different businesses and to combine its financial service with other businesses. Currently, Fantasia has formed three major business models, namely micro-credit, finance leasing and P2P Internet financial network, and tries to promote factoring, consumer finance, insurance, payment and other related business.

In its commercial property segment, the company's OMG Malls in Nanjing and Guilin are now opened for business. The Chengdu Pixian Huashengtang Project and the Hongtang Projects in Chengdu and Suzhou are actively seeking investors. In addition to building its commercial properties and operating management, Fantasia Commercial Management Co., Ltd. also starts to rely on its strong capital and professional strength to explore the asset-light model which is based on its management and brand. As of December 2014, Fantasia Commercial has successfully contracted four asset-light management projects in the cities of Chengdu, Hefei, Changsha and Yangzhou. The number of Fantasia Commercial's asset-light management projects is expected to exceed 10 by the end of 2015. This will consolidate Fantasia's position as a pioneer of asset-light model in the industry.

In the market for high-end commercial properties, Fantasia International Property increases capabilities



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to contract to carry out external projects while managing well its own commercial properties. The Company now has more than ten large-scale external projects including those for Chongqing Tencent, Shenzhen Chang Fu Jin Mao Tower, Chengdu Yi Center, Guiyang Kaili Oriental Culture Building, Lhasa Zhongtai City Plaza, Tianjin Shui'an Tangning, Hangzhou New World Dongfangmao and Dongguan Songshanhu Creative Valley.

Fantasia's cultural tourism business grew rapidly in 2014. The Company's U Hotels in Tianjin and Chengdu are opened and Arcadia Resort Hotel in Yixing is opened again. Four Points by Sheraton Guilin, Lingui is completed on 16 December, 2014. Meanwhile, the Company completed the acquisition of Hotel 373 on Fifth Avenue in New York, USA, which symbolizes a great stride in Fantasia hotels' global expansion. Furthermore, the "Zhi—Museum of Art" that Fantasia invested in is officially opened and becomes an important platform for arts exchange, display and research and an arts education base.

On 28 December, 2014, the Chengdu Fulin retirement apartment opened for business, which is the first elderly service apartment that Fantasia invested in. It represents a significant achievement of Fantasia's "Three-in-one" elderly service model. Meanwhile, elderly service projects in Chengdu, Nanjing and Shenzhen are developing rapidly. Fantasia's community elderly service has started to unlock its potential. In addition, Fantasia's education business officially commenced operation in 2014 with two foci, namely the training in modern service industries and community education.

Looking ahead to 2015, the Company predicts that China's economic growth will decelerate. However, moderately expansionary monetary policy and a number of favorable policies will benefit the country's

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property market. The property market is expected to reach a new equilibrium as it is shifting down from rapid to moderate growth. Mr. Pun believes that the property market has shifted its focus to consumer value and integration of resources. The formation of a new ecosystem of both social and commercial interests and the establishment of a mechanism for coordinating developments of various industries will be able to lead to efficient integration of resources. As a result, the Company can expect not just “addition effect” but even “multiplication effect” from the coordination of its eight major business segments.

The successful listing of Colour Life serves as an example for the developments of other business segments of Fantasia. As the business model matures and the business scale continues to expand, Fantasia will let its related business segments leverage the capital market in a timely manner.

Property Sales *(Note: Data in this news letter is unaudited and may be adjusted)*

In December, the Company successfully capitalized on a rebound in the property market by launching its best-selling residential properties that satisfied the rigid demand and those for improved housing as well as commercial properties. The move significantly boosted the sales growth in the month. The properties that target rigid demand sustained the momentum of the rapid sales growth, resulting in good sales performance in such projects as Fantasia Town and Grande Valley in Chengdu, Wonderland in Dongguan, Love Forever in Tianjin, Wuxi and Wuhan, Special Town in Huizhou and Suzhou and Lakeside Garden in Guilin. Commercial properties such as Long Nian Plaza in Shenzhen, Xinian Plaza, Meinian Plaza and Long Nian International Plaza in Chengdu, Meinian Plaza in Tianjin and Xinian Plaza in Wuxi, are mainly urban complexes and also recorded good results in sales and thus contributed significantly to the growth in the Company’s overall sales performance.

Property Sales *(Note: Data in this news letter is unaudited and may be adjusted)*

The Company sold GFA of approximately 244,175 sq.m. under contracts, recording contracted sales of approximately RMB 1.624 billion in the December. For the year ended 31 December, 2014, the Company sold GFA of approximately 1,380,125 sq.m., which was 6.76% more than that in 2013. Contracted sales rose by 0.39% to approximately RMB10.214 billion, exceeding the annual sales target of RMB 10 billion. The results enabled the Company to make it to the list of property enterprises with annual revenue of RMB 10 billion each in China.

City	Project Name	Product Type	GFA Sold (sq.m.)	Sales Amount (RMB 0'000)
Shenzhen	Long Nian Plaza	Urban Complex	20,845	39,641
	Hing Plaza	Urban Complex	40,000	80,000
	Anbo One	Urban Complex	33,983	13,593
Chengdu	Xinian Plaza	Urban Complex	21,133	35,500
	Love Forever	Mid-to-high residence	1,016	433
	Meinian Plaza	Urban Complex	22,143	23,578
	Future Plaza	Urban Complex	15,987	17,621
	Fantasia Town	Mid-to-high residence	131,048	59,099
	Funian Plaxa	Urban Complex	94	39
	Grande Valley	Boutique upscale residence	37,521	33,066
	Mont Conquerant	Boutique upscale residence	4,268	1,985
	Long Nian International Plaza	Urban Complex	103,577	48,295
	Dongguan	Mont Conquerant	Boutique upscale residence	120
Wonderland		Mid-to-high residence	1,723	2,447
Jiangshanhui		Mid-to-high residence	53	53
Tianjin	Flower Country	Boutique upscale residence	9,227	10,460
	Meinian Plaza	Urban Complex	9,978	23,076
	Love Forever	Boutique upscale residence	36,171	24,453

City	Project Name	Product Type	GFA Sold (sq.m.)	Sales Amount (RMB 0'000)
Huizhou	Huiyang Special Town project	Mid-to-high residence	96,564	52,309
	Love Forever	Mid-to-high residence	10,971	5,097
	Kang Town	Mid-to-high residence	66,852	43,857
	Xiangxie Garden	Mid-to-high residence	633	403
	Cuiya Garden (TCL remaining building)	Mid-to-high residence	238	161
	Palm Garden	Mid-to-high residence	923	578
Suzhou	6# project	Boutique upscale residence	20,232	13,831
	4# project	Boutique upscale residence	8,186	9,914
	Special Town	Boutique upscale residence	99,622	58,698
	Hailrun Complex	Urban Complex	144,863	98,365
Wuxi	Love Forever	Boutique upscale residence	62,997	40,038
	Hailrun Plaza	Urban Complex	40,530	29,284
Dali	Art Villas	Mid-to-high residence	5,016	2,877
Guilin	Fantasia Town	Urban Complex	71,571	41,294
	Lakeside Garden	Boutique upscale residence	70,580	39,169
Shanghai	Beilun Ningbo	Boutique upscale residence	50,714	47,317
Singapore	Singapore Project	Boutique upscale residence	527	5,464
Nanjing	Nanjing Project	Urban Complex	10,103	11,591
Wuhan	Wuhan Fantasia Town	Mid-to-high residence	37,239	19,230
	Love Forever	Boutique upscale residence	92,877	88,396
Total			1,380,125	1,021,360

About Fantasia

Founded in 1998, Fantasia Holdings Group Co., Ltd was listed in November 2009 on The Stock Exchange of Hong Kong Ltd. under the ticker 1777.HK. Fantasia has completed compilation of its strategic blueprint based on mobile internet and businesses in the age of big customer data for the future. It has evolved into a leading financial holding group with financial services as a driver, community services as a platform, and development as a means. Its businesses cover eight major value-add service areas from community financial services, resident community services under the Colour Life brand, property development, international commercial property services, community cultural tourism, community business management, community senior living and community education industry.

At the moment, Fantasia is progressing with international development of its businesses and has established subsidiaries in Hong Kong, Taipei, Singapore and Tokyo. It has invested in projects located in Singapore, the United States of America and Taiwan.

Fantasia Holdings Group Co., Limited

Stock Code: 1777

Newsletter for December, 2014



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FANTASIA

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