## PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2009

*The forecast consolidated profit of our Group attributable to owners of our Company for the year ending December 31, 2009 is set out in the section entitled "Financial Information — Profit Forecast."*

### Bases and Assumptions

The Directors have prepared the forecast of our Group's consolidated profit attributable to owners of our Company for the year ending December 31, 2009 based on the audited consolidated results of our Group for the six months ended June 30, 2009, the unaudited management accounts for the two months ended August 31, 2009, and our forecast of the consolidated results of our Group for the remaining four months of the year ending December 31, 2009. The forecast for the year ending December 31, 2009 has been prepared on the basis of accounting policies consistent with those adopted for the purpose of the Accountants' Report in Appendix I to this prospectus and the assumptions set forth below.

The Directors have adopted the following principal assumptions in the preparation of the profit forecast:

(i) there will be no significant changes in existing political, legal, fiscal, market or economic conditions in the PRC, including changes in legislation, regulations, or rules, which may have a material adverse effect on the Group's income;

(ii) there will be no significant changes in the government policies in the PRC in which we operate (including, but not limited to, those in relation to property development, the pricing and selling of the Group's properties and taxation of sales income derived therefrom, land appreciation tax ("LAT") and other property related taxes), which may adversely affect the Group's business or operations. Further, with respect to the real estate industry in particular, the PRC Government will not impose material changes to, or impose, additional austerity measures to dampen the sales and prices of properties;

(iii) there will be no material changes in the inflation rate, interest rates or foreign currency exchange rates in the PRC from those prevailing as of the date of the prospectus of the Company;

(iv) there will be no material change in the bases or rates of taxation, both direct and indirect, in the PRC;

(v) the Group's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents; and

(vi) major contracts for sales and leases of properties and letter of intent for leases entered will not be cancelled. Properties are developed in accordance with management's plans and there are no substantial variations of construction costs from budgeted amount. There are no substantial changes in development schedule due to relocation and government approvals and completion of works by the Group's contractors.

### Bases and Assumptions on Forecast Fair Value Change on Investment Properties

Our forecast profit is not less than RMB320 million and no forecast fair value change on our investment properties for the forecast period from September 1, 2009 to December 31, 2009 is included in our forecast profit. Such forecast in fair value change on our completed investment properties have been estimated on the basis of projected valuations as of December 31, 2009 according to a basis of valuation which is, as far as practicable, consistent with the basis of valuation which has been adopted by our independent property valuer in valuing our completed investment properties for the purposes of our audited consolidated financial statements for the period ended June 30, 2009 and the Property Valuation Report in Appendix IV to this prospectus. For the property interests held by us for rental purpose and/or capital appreciation, we have adopted direct comparison approach as well as the income approach whichever is applicable. Under the direct comparison approach, we have valued each of these property interests by the direct comparison method where comparison based on prices realized on actual sales or market price information of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighted against all the respective advantages and disadvantages of each property interest in order to arrive at a fair comparison of capital values. Income approach, in which values are developed on the basis of capitalization of the net earnings that would be generated if a specific stream of income can be attributed to the property. The income analyzed is the total income generated by the properties. The expenses reflect those required in operating the business.

We have concluded the fair value of investment properties under development cannot be forecasted reasonably from September 1, 2009 to December 31, 2009, therefore, we continued to measure it at cost and no forecast fair value change for the forecast period from September 1, 2009 to December 31, 2009.

In preparing our analysis of the effect of fair value change on our profit forecast, our estimates are based on transactions in comparable properties currently available and current market rental, with prices projected as of December 31, 2009, based on current stable market trends as reflected in market research reports. Our Directors, on that basis that the forecast is made on a "not less than" basis, have adopted the lower end of the forecast range in such market research reports to be a basis of the estimate of the fair value of our completed investment properties in our profit forecast.

Accordingly, we have forecast the fair value of our completed investment properties (on a per sq.m. basis), to be remained the same as the fair value of these properties as of August 31, 2009 (on a per sq.m. basis) arrived at based on direct comparison approach as well as the income approach whichever is applicable. We expect the fair value of our completed investment properties as of December 31, 2009, and in turn any fair value change on completed investment properties, to continue to be dependent on market conditions and other factors that are beyond our control. Please see "Risk Factors — Risks Relating to our business — Our profitability may fluctuate due to fair value gains or losses on our investment properties because certain portion of our profits were and are expected to be attributable to fair value gains or losses on our investment properties, which are likely to fluctuate from time to time."

The other material assumption we have adopted is that no existing investment properties will be disposed of for the year ending December 31, 2009, as we have no plans of disposing any investment properties.

We record the investment properties at fair value at the end of the reporting period pursuant to Hong Kong Financial Reporting Standards, and any increase or decrease in fair value in any applicable reporting period is required to be recognized as a charge or credit to our statements of comprehensive income. This charge or credit is a non-cash item representing the increase or decrease in fair value of the investment properties. Our result may be substantially affected by such changes in fair values.

## Sensitivity Analysis

### *Sensitivity analysis on targeted average selling price*

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to the targeted average selling price for properties sold from September 1, 2009 to December 31, 2009.

| | | | | | |
|---|---|---|---|---|---|
| % change in targeted selling prices per sq.m. | -15% | -10% | -5% | +5% | +10% |
| Impact on the profit attributable to owners of our Company targeted for the year 2009 (RMB'000) | (15,828) | (10,011) | (4,750) | 4,116 | 8,232 |

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 rise by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB328,232,000, i.e. 2.6% higher than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 rise by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB324,116,000, i.e. 1.3% higher than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB315,250,000, i.e. 1.5% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB309,989,000, i.e. 3.1% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB304,172,000, i.e. 4.9% lower than our targeted 2009 profit attributable to owners of our Company.

***Sensitivity analysis on targeted GFA sold and delivered***

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to the targeted GFA sold and delivered from September 1, 2009 to December 31, 2009.

| | | | |
|---|---|---|---|
| % change in targeted GFA sold and delivered | -15% | -10% | -5% |
| Impact on the profit attributable to owners of our Company targeted for the year 2009 (RMB'000) | (3,890) | (2,593) | (1,297) |

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB318,703,000, i.e. 0.4% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB317,407,000, i.e. 0.8% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB316,110,000, i.e. 1.2% lower than our targeted 2009 profit attributable to owners of our Company.

***Sensitivity analysis on fair value changes of investment properties***

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to levels of revaluation increase/decrease on investment properties as at June 30, 2009:

| | | | | | | |
|---|---|---|---|---|---|---|
| Changes in percentage on investment properties as at June 30, 2009 | -15% | -10% | -5% | 5% | 10% | 15% |
| Impact on the profit attributable to owners of our Company targeted for the year 2009 (RMB'000) | (33,338) | (22,225) | (11,113) | 11,113 | 22,225 | 33,338 |

If the fair value of investment properties as at June 30, 2009 rises or declines by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB331,113,000 or RMB308,887,000, respectively, i.e. 3.5% higher or lower, respectively, than our targeted 2009 profit attributable to owners of our Company.

If the fair value of investment properties as at June 30, 2009 rises or declines by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB342,225,000 or RMB297,775,000, respectively, i.e. 6.9% higher or lower, respectively, than our targeted 2009 profit attributable to owners of our Company.

If the fair value of investment properties as at June 30, 2009 rises or declines by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB353,338,000 or RMB286,662,000, respectively, i.e. 10.4% higher or lower, respectively , than our targeted 2009 profit attributable to owners of our Company.

The above illustrations are intended to be for reference only and any variation could exceed the ranges given. The above sensitivity analyses are not meant to be exhaustive. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the targeted average selling price, GFA to be sold and delivered, and fair value changes of investment properties for the year ending December 31, 2009, the average selling price, GFA to be sold and delivered, and fair value changes of investment properties as at the relevant time may differ materially from our estimate and are dependent on market conditions and other factors which are beyond our control.

## LETTERS

Set out below are texts of the letters, prepared for inclusion in this prospectus, received by the Directors from the Company's reporting accountants, Deloitte Touche Tohmatsu, and from the Joint Sponsors, CITIC Securities Corporate Finance (HK) Limited and Deutsche Bank AG Hong Kong Branch, in connection with the forecast of the consolidated profit attributable to owners of the Company for the year ending December 31, 2009, respectively.

(a) Letter from Deloitte Touche Tohmatsu

Deloitte.
德勤

德勤・關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

12 November 2009

The Directors
Fantasia Holdings Group Co., Limited
CITIC Securities Corporate Finance (HK) Limited
Deutsche Bank AG, Hong Kong Branch

Dear Sirs,

We have reviewed the accounting policies adopted and calculations made in arriving at the forecast of the consolidated profit of Fantasia Holdings Group Co., Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ending 31 December 2009 attributable to owners of the Company (the "Forecast"), for which the directors of the Company are solely responsible, as set out in the prospectus dated 12 November 2009 (the "Prospectus") issued by the Company. The Forecast is prepared based on the audited results of the Group for six months ended June 30, 2009, the results shown in the unaudited management accounts of the Group for two months ended 31 August 2009, and a forecast of the results for the remaining four months of the financial year ending 31 December 2009.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the directors of the Company as set out in part 1 of Appendix III to the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report of the financial information of the Group for the three years ended 31 December 2008 and six months ended 30 June 2009 as set out in Appendix I to the Prospectus.

Without qualifying our opinion above, we draw to your attention that the directors of the Company have disclosed in the section headed "Profit Forecast — Bases and Assumptions" in Appendix III to the Prospectus that in preparing the Forecast, the directors of the Company have assumed that there will be no change for the forecast period from 1 September 2009 to 31 December 2009 in respect of the fair value of completed investment properties which is estimated based on projected valuation on 31 December 2009 according to basis of valuation which is, as far as practicable, in the opinion of the directors of the Company, consistent with the basis of valuation which has been adopted by their independent property valuer in valuing the properties for the purposes of the audited consolidated financial statements of the Group for the period ended 31 August 2009. While the directors of the Company believe that this is the best estimate of the fair value of the completed investment properties as at 31 December 2009, the fair value of the completed investment properties and/or any fair value increase or decrease on completed investment properties as at the relevant time may differ materially from their estimate. Should the actual increase or decrease in fair value of the completed investment properties differ from the amount estimated by the directors of the Company, such difference would have the effect of increasing or decreasing the forecast profit attributable to owners of the Company for the year ending 31 December 2009. The directors of the Company have also assumed that the fair value of investment properties under development cannot be forecasted reasonably, therefore, the investment properties under development continued to be measured at cost.

Yours faithfully,
**Deloitte Touche Tohmatsu**
*Certified Public Accountants*
Hong Kong

(b) Letter from the Joint Sponsors

November 12, 2009

中信証券國際
CITIC Securities International

26/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Deutsche Bank

48/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Directors
Fantasia Holdings Group Co., Limited

Dear Sirs,

We refer to the consolidated profit forecast of Fantasia Holdings Group Co., Limited (the "Company") and its subsidiaries (together the "Group") for the year ending December 31, 2009 (the "Profit Forecast") as set out in "Financial Information — Profit forecast for the year ending December 31, 2009" in the prospectus issued by the Company dated November 12, 2009.

The Profit Forecast, for which the Directors are solely responsible, has been prepared by them based on the audited results of the Group for the six months ended June 30, 2009, the unaudited management accounts of the Group for the two months ended August 31, 2009 and a forecast of the consolidated results of the Group for the remaining four months ending December 31, 2009.

We have discussed with you the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter dated November 12, 2009 addressed to you and us from Deloitte Touche Tohmatsu regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, we are of the opinion that the Profit Forecast, for which you as the Directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
CITIC Securities Corporate Finance (HK) Limited
Freda Wong
Executive Director

Yours faithfully,
For and on behalf of
Deutsche Bank AG, Hong Kong Branch
Heidi Yang
Managing Director

Danny Lee
Director