

Monthly Newsletter 2014.10

**Domestic Policies Boost Consumptive Power
Beneficial for Fantasia to Build Community Service Operational Platform**

On 6th November 2014, Fantasia Holdings Group Co., Limited (“Fantasia” or “the Company”, SEHK stock code 1777) announced that the Company was pleased about the State Council’s actions of boosting consumptive power. Such moves further proved the business model of Fantasia based on consumption market was quite forward-looking. The Company will continue to foster strategic transformation of light assets based on community consumption and to build the largest community service operational platform in China.

In real estate segment, the new “930” policy of the central bank has been more positive to the demand for individual housing loans. The executive meeting of the State Council raised to “stabilizing the housing consumption”. Some major cities have begun to use various measures to boost market demands, such as loans, financial subsidies, deed tax exemption, etc., which led to a rebound of transactions in housing market. The data of some institutions reveal that, in October, the area of commercial residence transaction in 40 major cities increased by 16% as compared with that of last month, especially those in first-tier and second-tier cities.

The changes in domestic housing market met the expectation of Fantasia in the beginning of the year. The Company’s sales results in the fourth quarter were increased by enhancing sales volume and marketing efforts. In October, the contracted sales area amounted to 225,542 square meters, contracted sales amounted to RMB 2.033 billion, representing an increase of 14.65% and 90.18% respectively compared with that of last year. Contracted sales increased 19.52 % compared with that of September, which again hit the record high of the sales amount of single month sales amount of the Company in 2014, to which the major areas contributed were regional key cities such as Shenzhen, Chengdu, Wuhan and Tianjin.

As at 31st October 2014, the accumulated contracted sales areas of real estate business of Fantasia were 973,260 square meters, contracted sales amount of RMB 7.053 billion, which achieved 70.53% of the total sales target of RMB10 billion for the whole year. As the gradual implementation of a series of regulatory policies, the domestic housing market is expected to rebound at the end of the year. Along with the increase in efforts of sales, there is no doubt that the Company will achieve the sales target of RMB10 billion for the whole year.

Accumulated Contacted Sales Amount and Area Sold for 2014 (as of 31st October 2014)

1.City	Project Name	Product Type	GFA Sold (sq.m.)	Sales amount (RMB0'000)
Chengdu	Love Forever	Mid-to-high residence	734	308
	Meinian Plaza	Urban complex	11,928	12,689
	Future Plaza	Urban complex	15,923	17,579
	Fantasia Town	Mid-to-high residence	131,048	59,099
	Funian Plaza	Urban complex	160	122
	Grande Valley	Boutique upscale residence	35,637	31,382
	Mont Conquerant	Boutique upscale residence	2,467	1,235
	Long Nian International Plaza	Urban complex	90,466	42,668
Shenzhen	Hing Plaza	Urban complex	40,000	80,000
Dongguan	Mont Conquerant	Boutique upscale residence	98	116
	Wonderland	Mid-to-high residence	305	211
Tianjin	Flower Country	Boutique upscale residence	10,080	11,730
	Meinian Plaza	Urban complex	6,166	11,735
	Love Forever	Boutique upscale residence	32,553	22,849
Huizhou	Huiyang Special Town project	Mid-to-high residence	70,519	38,468
	Love Forever	Mid-to-high residence	10,304	4,715
	Kang Town	Mid-to-high residence	40,887	29,168
	Xiangxie Garden	Mid-to-high residence	620	394

	Cuiya Garden (TCL remaining building)	Mid-to-high residence	238	161
	Palm Garden	Mid-to-high residence	873	555
Suzhou	6# project	Boutique upscale residence	19,943	13,660
	4# project	Boutique upscale residence	7,110	8,496
	Special Town	Boutique upscale residence	93,450	55,100
	Hailrun Complex	Boutique upscale residence	3,423	5,746
Wuxi	Love Forever	Boutique upscale residence	59,123	37,586
	Hailrun Complex	Urban complex	39,658	28,462
Dali	Art Villas	Mid-to-high residence	1,770	903
Guilin	Fantasia Town	Urban complex	67,547	39,412
	Lakeside Garden	Boutique upscale residence	64,822	36,916
Ningbo	Beilun Ningbo	Boutique upscale residence	40,997	38,598
Singapore	Singapore Project	Boutique upscale residence	317	3,294
Wuhan	Love Forever	Boutique upscale residence	74,095	71,931
Total			973,260	705,290

Pan Jun, Chairman and Chief Executive Officer of the Company, pointed out that expressed that the real estate development industry represented the past, the real estate development service industry stood for the present, but only the community service industry truly signified the future of the overall industry. The eight major businesses of Fantasia will always focus on the community consumption and it will facilitate strategic transformation of light assets with an aid of demonstration and capital effects of Color Life.

As announced previously, on 29 September, Color Life (Stock Code: 1778) which is currently under rapid expansion of business scale, released a share incentive scheme covering over ninety percent of middle and senior management staff. This provided strong support for stabilizing the middle and senior management team and future expansion of Color Life. The improvement of management system of Color Life also further consolidated the advantages of community services operational platform of

Fantasia. The number of enterprises nationwide which seek for cooperation with Color Life has increased.

Besides, the Company's controlling shareholder, Fantasy Pearl International Limited, has been purchasing Fantasia's shares in the market from 31st October to 5th November, totals 2,393,500 shares. The total transaction consideration of the purchases was approximately HKD 2 million, with an average price of HKD 0.843 per share. Following the three purchases of Fantasia's Shares in May, the controlling shareholder has increased its shareholding of Fantasia to 57.2% after this transaction. The increasing of shareholding showed the controlling shareholder's confidence on the Company's future prospects.

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

IR Contacts:

Executive Director and Chief Financial Officer

Mr. Tony Lam

Tel.: +86 755 2269 9776

Email: linjt@cnfantasia.com

IR Department

Ms. Christy Zheng

Tel.: +852 3521 1536/+86 755 2269 9738

Email: zhengjy@cnfantasia.com