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## **COLOUR LIFE SERVICES GROUP CO., LIMITED**

**彩生活服務集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1778)**

### **CONNECTED TRANSACTION DISPOSAL OF A SUBSIDIARY**

The Board announces that on 9 October 2016, Shenzhen Colour Life, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Purchaser pursuant to which Shenzhen Colour Life agreed to transfer the entire registered capital in the Target Company to the Purchaser for a consideration of RMB13,000,000. Upon completion of the Disposal, the Group will no longer have any interest in the Target Company.

The Purchaser is a subsidiary of Fantasia, the controlling shareholder and a connected person of the Company. Accordingly, the entering into of the Share Transfer Agreement constitutes a connected transaction for the Company.

As the applicable percentage ratios in respect of the Disposal are over 0.1% but less than 5%, the Disposal is subject to the notification and announcement requirements and exempted from the independent shareholders' approval requirement under the Listing Rules.

#### **THE SHARE TRANSFER AGREEMENT**

**Date:** 9 October 2016

#### **Parties to the Share Transfer Agreement:**

- (1) Shenzhen Colour Life as the vendor. Shenzhen Colour Life is a wholly-owned subsidiary of the Company which is principally engaged in the provision of property management services;
- (2) 深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Co., Ltd.\*) as the purchaser.

The Purchaser is a wholly owned subsidiary of Fantasia and is principally engaged in property development. As at the date of this announcement, Fantasia is interested in approximately 72.06% of the issued share capital of the Company and is the controlling shareholder and a connected person of the Company.

Fantasia is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange. Fantasia is an investment holding company and its subsidiaries are principally engaged in the business of property development, lease of investment properties, property agency services, property management services, provision of hotel management and travel agency service.

### **The Disposal**

Under the terms of the Share Transfer Agreement, Shenzhen Colour Life has agreed to transfer the entire registered capital in the Target Company to the Purchaser for the consideration of RMB13,000,000.

### **Consideration**

The consideration for the Disposal is RMB13,000,000, which was determined after arm's length negotiations between the parties with reference to qualification and license possessed by the Target Company.

The consideration will be payable by the Purchaser in accordance with the following schedule:

- (i) RMB6,500,000, representing 50% of the consideration, will be payable by the Purchaser within 10 business days of the signing of the Share Transfer Agreement; and
- (ii) the balance RMB6,500,000 of the consideration will be payable by the Purchaser within 10 business days after completion of the registration of the transfer of the equity interest in the Target Company to the Purchaser with the administrative department for industry and commerce.

### **The Target Company**

The Target Company is a company incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company. The Target Company is principally engaged in the real estate agency business.

The net asset value of the Target Company was approximately RMB4,000,000 as at 30 June 2016. Financial results of the Target Company for the two years immediately preceding the date of the Share Transfer Agreement are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2015</b>
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	17,336	22,119
Net profit after tax	13,000	16,589

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately RMB9,000,000, which is calculated by reference to the carrying value of the Target Company as at 30 June 2016. The Directors currently intend to apply the proceeds from the Disposal as general working capital of the Company.

After completion of the Disposal, the Group will no longer have any interest in the Target Company.

## **REASONS FOR THE TRANSACTION**

The Group is principally engaged in the provision of property management services, engineering services and community leasing, sales and other services.

For strategic and business planning reasons, the Company has decided to transfer the current business conducted by the Target Company to another subsidiary of the Group. To this end, the Target Company has no active business operation. Accordingly, the Company decided to dispose of the Target Company.

The Directors (including the independent non-executive Directors) consider that the Share Transfer Agreement was concluded after arm's length negotiations under normal commercial terms, the terms of which are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The Purchaser is a subsidiary of Fantasia, the controlling shareholder and a connected person of the Company. Accordingly, the entering into of the Share Transfer Agreement constitutes a connected transaction for the Company.

As the applicable percentage ratios in respect of the Disposal are over 0.1% but less than 5%, the Disposal is subject to the notification and announcement requirements and exempted from the independent shareholders' approval requirement under the Listing Rules.

Mr. Pan Jun and Mr. Lam Kam Tong are considered to have a material interest in the Disposal as they are executive directors of Fantasia. Accordingly, they have abstained from voting on the board resolutions of the Company for approving the Share Transfer Agreement.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Company”	Colour Life Services Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the transfer by the Vendor of the entire registered capital in Target Company to the Purchaser pursuant to the terms of the Share Transfer Agreement;
“Fantasia”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the controlling shareholder of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Fantasia;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Share Transfer Agreement”	the agreement dated 9 October 2016 between Shenzhen Colour Life and the Purchaser in relation to the transfer of the entire registered capital in the Target Company to the Purchaser;

“Shenzhen Colour Life”	深圳市彩生活服務集團有限公司 (Shenzhen Colour Life Services Group Company Limited*), a company established in the PRC and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳市星彥行置業有限公司 (Shenzhen Xingyanhang Real Estate Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement; and
“%”	per cent.

By Order of the Board  
**Colour Life Services Group Co., Limited**  
 彩生活服務集團有限公司  
**TANG Xuebin**  
*Executive Director and Chief Executive Officer*

Hong Kong, 11 October 2016

*As at the date of this announcement, the board of directors of the Company comprises Mr. TANG Xuebin and Mr. DONG Dong as executive directors; Mr. PAN Jun, Mr. LAM Kam Tong and Mr. ZHOU Hongyi as non-executive directors; and Mr. TAM Chun Hung, Anthony, Dr. LIAO Jianwen and Mr. XU Xinmin as independent non-executive directors.*

\* For identification purpose only