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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)**

### **CONTINUING CONNECTED TRANSACTION**

On 27 June 2018, Shenzhen Colour Life Network entered into the Cooperation Agreement with Shenzhen Colour Pay in respect of the e-Platform Services for a term of two years ending 31 December 2019.

As Shenzhen Colour Pay is owned as to 80% by Mr. Pan Jun, a non-executive Director, and as to 20% by Mr. Tang Xuebin, an executive Director and the Chief Executive Officer of the Company, the transactions contemplated under the Cooperation Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual transaction amount in respect of the e-Platform Services under the Cooperation Agreement is expected to exceed 0.1% but less than 5% of the applicable percentage ratios, the Cooperation Agreement will be subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **THE COOPERATION AGREEMENT**

On 27 June 2018, Shenzhen Colour Life Network entered into the Cooperation Agreement with Shenzhen Colour Pay in respect of the e-Platform Services.

#### **Subject**

Shenzhen Colour Life Network will provide the e-Platform Services to Shenzhen Colour Pay.

Under the arrangement, Shenzhen Colour Life Network will through its e-platforms of Caizhiyun (彩之雲) and Colourlife.com allow the Users to register with the qianshenhua.com (錢生花) e-platform of Shenzhen Colour Pay to procure products and services, including the P2P services for the procurement of products and the Colour Easy Loan Services, a e-finance services offered by Shenzhen Colour Pay to customers.

## **Term**

The Cooperation Agreement has a term of two financial years ending on 31 December 2019.

## **Service fees**

The service fees payable under the e-Platform Services comprises:

### *(a) P2P Services*

- (i) 2% of the proceeds from the purchases by Users of products supplied by Shenzhen Colour Pay through the Shenzhen Colour Life Network's platforms; and
- (ii) 1% of the proceeds from the purchases by Users of products directly at the Shenzhen Colour Pay's platform.

### *(b) Colour Easy Loan Services*

- (i) For 30 days loans which are repayable at any time, the service fee is calculated in accordance with the following formula:

Actual amount of borrowing x monthly index x actual number of days of the loan/365

- (ii) For loans of between 1 and 36 months which are repayable on a monthly basis, the service fee is calculated in accordance with the following formula:

Actual amount of borrowing x monthly index

The monthly index is calculated based on the following scale:

- (a) 1.5% when the actual amount of borrowing for the month is less than RMB100,000,000;
- (b) 1.8% when the actual amount of borrowing for the month is equal to or more than RMB100,000,000 but less than RMB150,000,000;
- (c) 1.9% when the actual amount of borrowing for the month is equal to or more than RMB150,000,000 but less than RMB250,000,000;
- (d) 2.0% when the actual amount of borrowing for the month exceeds RMB250,000,000.

The service fees were determined after arm's length negotiations between the parties with reference to the prevailing market rates of similar or comparable services offered by Shenzhen Colour Life Network to independent third parties.

## Payment

The services fees will be paid on a monthly basis, with the services fee for the P2P Services will be made before the 25th day of the following month, and the services fee for the Colour Easy Loan Services will be made within 10 business days of the receipt of the relevant invoice.

## Annual caps

It is proposed that the annual caps under the Cooperation Agreement for each of the financial years ending 31 December 2018 and 2019 will not exceed the followings:

<b>For the year ending 31 December</b>	<b>Annual transaction amount RMB'000</b>
2018	75,000
2019	80,000

Shenzhen Colour Life Network and Shenzhen Colour Pay have no previous transactions. The annual caps were determined with reference to (a) the number of Users; (b) the expanded range of products and services offered in the qianshenhua.com (錢生花) e-platform of Shenzhen Colour Pay; and (c) the expected demand for the products of Shenzhen Colour Pay by the Users.

## INTERNAL CONTROL

As a general rule, the price and terms of the individual service agreements of the continuing connected transactions of the Group will be conducted in the ordinary course of business of the Group, on normal commercial terms and on terms which are similar or comparable to contracts of the Group with independent third parties.

The pricing policy of all the continuing connected transactions of the Group will be supervised and monitored by the relevant internal audit personnel and management of the Group to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policy of the Group and will not be prejudicial to the interests of the Company and the Shareholders as a whole.

The relevant internal audit personnel and the management of the Group will conduct regular checks and assess whether individual transactions contemplated under the e-Platform Services are conducted in accordance with the terms of the Co-operation Agreement and will also regularly review whether the prices charged under the e-Platform Services are fair and reasonable and in accordance with the aforesaid pricing policy.

The independent non-executive Directors will review the transactions under the Cooperation Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof. Accordingly, the Directors consider that the internal control system of the Group is effective to ensure that the transactions contemplated under the Cooperation Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

## **REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS**

Shenzhen Colour Life Network is principally engaged in the provision of community leasing, sales and other services.

The Cooperation Agreement will enable the Group to provide more extended services to the users thereby enhancing the online marketing services of the Group.

The Directors (including the independent non-executive Directors but excluding the interested Directors) considered that the terms of the Cooperation Agreement are on normal commercial terms, and the Cooperation Agreement was entered into in the ordinary and usual course of business of the Group, the terms of the Cooperation Agreement and the annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON SHENZHEN COLOUR PAY**

Shenzhen Colour Pay is principally engaged in the provision of on-line financial services and financing intermediation products.

## **IMPLICATIONS UNDER THE LISTING RULES**

Shenzhen Colour Pay is owned as to 80% by Mr. Pan Jun, a non-executive Director, and as to 20% by Mr. Tang Xuebin, an executive Director and the Chief Executive Officer of the Company. Accordingly, Shenzhen Colour Pay is a connected person of the Company for the purpose of the Listing Rules and the transactions contemplated under the Cooperation Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual transaction amount in respect of the e-Platform Services under the Cooperation Agreement is expected to exceed 0.1% but less than 5% of the applicable percentage ratios, the Cooperation Agreement will be subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Pan Jun, Mr. Tang Xuebin and Mr. Lam Kam Tong are considered to be interested in the transactions contemplated under the Cooperation Agreement and have abstained from voting on the Board resolutions proposed to approve the Cooperation Agreement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Board”	the board of Directors;
“Colour Easy Loan Services”	the on-line loan services offered by Shenzhen Colour Pay;
“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”	has the meaning ascribed to it under the Listing Rules;
“Cooperation Agreement”	the agreement dated 27 June 2018 between Shenzhen Colour Life Network and Shenzhen Colour Pay in relation to the e-Platform Services;
“Director(s)”	the director(s) of the Company;
“e-Platform Services”	the provision of e-platform services by Shenzhen Colour Life Network to Shenzhen Colour Pay;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“P2P Services”	the peer-to-peer services offered by Shenzhen Colour Pay to the Users;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	shareholders of the Company;
“Shenzhen Colour Life Network”	深圳市彩生活網絡服務有限公司 (Shenzhen Colour Life Network Service Co., Ltd.), a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company;
“Shenzhen Colour Pay”	深圳市彩付寶科技有限公司 (Shenzhen Colour Pay Technology Co., Ltd.), a limited liability company established in the PRC;

“Stock Exchange”                   The Stock Exchange of Hong Kong Limited;  
“Users”                               registered users of the e-platforms of the Group; and  
“%”                                     per cent.

By order of the Board  
**Colour Life Services Group Co., Limited**  
**TANG Xuebin**  
*Executive Director and Chief Executive Officer*

Hong Kong, 27 June 2018

*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.*