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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 TRANSACTIONS**

#### **NEW CONTINUING CONNECTED TRANSACTIONS**

On 29 December 2016, Shenzhen Colour Life Network entered into the Network and Advertising Services Agreement with Shenzhen Investment Consultancy for a term commencing from 1 January 2016 to 31 December 2016 (both days inclusive).

Shenzhen Investment Consultancy is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Network and Advertising Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Network and Advertising Services Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Network and Advertising Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to following continuing connected transactions of the Company: (a) the Existing Engineering Services Agreement among Shenzhen Kaiyuan Tongji, Fantasia Group (China) and Shenzhen Fantasia; (b) the Existing Pre-delivery Property Management Services Agreement among Shenzhen Colour Life Property Management, Fantasia Group (China) and Shenzhen Fantasia; and (c) the Existing Network and Advertising Services Agreement entered into between Shenzhen Colour Life Network and Shenzhen Investment Consultancy.

As each of the Existing Agreements will expire on 31 December 2016, each of the Renewed Agreements was entered into on 29 December 2016 for a term of three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).

Shenzhen Fantasia is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Renewed Engineering Services Agreement and the Renewed Pre-delivery Property Management Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Shenzhen Investment Consultancy is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Renewed Network and Advertising Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Renewed Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Renewed Agreements are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **NEW CONTINUING CONNECTED TRANSACTIONS**

On 29 December 2016, Shenzhen Colour Life Network entered into the Network and Advertising Services Agreement with Shenzhen Investment Consultancy for a term commencing from 1 January 2016 to 31 December 2016 (both days inclusive). Details of the Network and Advertising Services Agreement are set forth below:

- Date: 29 December 2016
- Parties: (a) Shenzhen Colour Life Network  
(b) Shenzhen Investment Consultancy
- Subject: Shenzhen Colour Life Network agreed to provide any member of Fantasia Group with the Network and Advertising Services in respect of the financial value-added services procured by the Fantasia Group.
- Term: The Network and Advertising Services Agreement has a fixed term commencing from 1 January 2016 to 31 December 2016 (both days inclusive).
- Price: The Service Fee will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable services offered by Shenzhen Colour Life Network to Independent Third Parties.

Payment: Payment of the Service Fee will be settled by way of cash, subject to the terms of the individual service agreements in respect of the Network and Advertising Services to be entered into between Shenzhen Colour Life Network and any member of the Fantasia Group under the Network and Advertising Services Agreement.

#### *Pricing Policies and Internal Control*

As a general principle, the price and terms of the individual service agreements in respect of the Network and Advertising Services will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as Shenzhen Colour Life Network transacts business with other Independent Third Parties and shall be on terms which are no less favourable to the Fantasia Group than those offered to Independent Third Parties.

The Service Fee will be fixed at:

- (a) 2% of the value of the financial products procured by the Fantasia Group multiplied by actual number of months which such products subsisted divided by 12; and
- (b) 1.5% of the financing products procured by the Fantasia Group multiplied by the actual number of days which the financing products are outstanding divided by 365, through the e-platforms of Shenzhen Colour Life Network by its users.

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant 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 personnel and management of the Group will conduct regular checks and assess whether individual transactions contemplated under the Network and Advertising Services Agreement are conducted in accordance with the terms of the agreement and will also regularly review whether the price charged for the Network and Advertising Services is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under the Network and Advertising Services Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual cap thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Network and Advertising Services 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.

#### *Annual Cap*

It is proposed that the annual cap under the Network and Advertising Services Agreement for the financial year ending 31 December 2016 will not exceed RMB27.0 million, which has been determined based on the historical transaction amount of approximately RMB23.8 million for the eleven months ended 30 November 2016 paid by the Fantasia Group to Shenzhen Colour Life Network.

### *Reasons for and benefits of the Network and Advertising Services Agreement*

Shenzhen Colour Life Network is principally engaged in the provision of community leasing, sales and other services. Shenzhen Investment Consultancy is principally engaged in provision of the financial products and financing products.

Taking into consideration of the stable and well-established cooperation history and strategic business relationship between the Group and the Fantasia Group, the Directors consider that it is in the interest of the Company to enter into the Network and Advertising Services Agreement with Shenzhen Investment Consultancy as the entering into of the Network and Advertising Services Agreement would guarantee a stable source of provision of the Network and Advertising Services to the Group. The Directors (including the independent non-executive Directors but excluding the interested Directors) considered that the terms of the Network and Advertising Services Agreement would be conducted on normal commercial terms; and the Network and Advertising Services Agreement was entered into in the ordinary and usual course of business of the Group, the terms of the Network and Advertising Services Agreement and the relevant proposed annual cap are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### *Listing Rules Implications*

Shenzhen Investment Consultancy is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions under the Network and Advertising Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Network and Advertising Services Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Network and Advertising Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to following continuing connected transactions of the Company: (a) the Existing Engineering Services Agreement among Shenzhen Kaiyuan Tongji, Fantasia Group (China) and Shenzhen Fantasia; (b) the Existing Pre-delivery Property Management Services Agreement among Shenzhen Colour Life Property Management and Fantasia Group (China) and Shenzhen Fantasia; and (c) the Existing Network and Advertising Services Agreement entered into between Shenzhen Colour Life Network and Shenzhen Investment Consultancy.

As each of the Existing Agreements will expire on 31 December 2016, each of the Renewed Agreements was entered into on 29 December 2016 for a term of three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).

Details of each of the Renewed Agreements are set forth below:

## 1. Renewed Engineering Services Agreement

- Date: 29 December 2016
- Parties: (a) Shenzhen Kaiyuan Tongji  
(b) Shenzhen Fantasia
- Subject: The Group agreed to provide any member of Fantasia Group with the Engineering Services.
- Term: The Renewed Engineering Services Agreement has a fixed term of three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).
- Price: The Engineering Service Fees will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable service offered by any members of the Group to Independent Third Parties.
- Payment: Payment of the Engineering Service Fees will be settled by way of cash, subject to the terms of the individual service agreements in respect of the Engineering Services to be entered into between any members of the Group and of the Fantasia Group under the Renewed Engineering Services Agreement.

### *Pricing Policies and Internal Control*

As a general principle, the price and terms of the individual service agreements in respect of the Engineering Services will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group transacts business with other Independent Third Parties and shall be on terms which are no less favourable to the Fantasia Group than those offered to Independent Third Parties.

The Engineering Service Fees will be determined in accordance with the following general principles in an ascending order:

- (1) the reference price prescribed by state (if any);
- (2) the price based on the guidance issued by the China Engineering Cost Association or other competent authorities (if any) in the PRC;

- (3) where there is no such reference price, the price shall be determined after arm's length negotiation between the Group and the Fantasia Group with reference to (a) the rates comparable to those offered by the Group to the Independent Third Parties; and (b) cost in connection with the provision of the Engineering Services. In determining such rates, the relevant personnel of the business department of the Group shall obtain at least two comparable transactions with its customers, which are Independent Third Parties so as to ensure that the fee for the Engineering Services that the Group will be charging the Fantasia Group is comparable to those being offered to its customers, which are Independent Third Parties.

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant 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 personnel and management of the Group will conduct regular checks and assess whether individual transactions contemplated under the Renewed Engineering Services Agreement are conducted in accordance with the terms of the agreement and will also regularly review whether the fee charged for the Engineering Services is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under the Renewed Engineering Services 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 mechanism is effective to ensure that the transactions contemplated under the Renewed Engineering Services 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.

#### *Annual Caps*

It is proposed that the annual caps under the Renewed Engineering Services Agreement for each of the financial years ending 31 December 2017, 2018 and 2019 will not exceed the followings:

<b>For the year ending 31 December</b>	<b>Engineering Service Fee payable to the Group (RMB'000)</b>
<b>2017</b>	40,000
<b>2018</b>	40,500
<b>2019</b>	41,000

The annual caps for the three years ending 31 December 2019 for the provision of the Engineering Services have been determined based on (a) the estimated revenue amount to be recognised for the year ending 31 December 2019 under the Renewed Engineering Services Agreement; (b) the estimated total GFA of the properties expected to be constructed by the Fantasia Group in 2017, 2018 and 2019 based on the Fantasia Group's development plan; and (c) a reasonable increment of the Engineering Service Fees to be charged by the Group, taking into account the expected inflation rate for the three years ending 31 December 2019. The Fantasia Group's development plan and its major operating decisions, such as the purchase of land and the approval of projects for development, are subject to the decision of the business development department of the Fantasia Group comprising senior management members of the Fantasia Group for corporate business expansion and development strategy. The Fantasia Group's development plans are first proposed by its business development department then sent to each project company for review and comment. The revised development plan is first passed to a team of senior management of the Fantasia Group comprising its chief executive officer and several vice presidents, and then submitted to its board of directors for final approval. The Fantasia Group's development plans are derived on an annually basis for the coming three years and are made based on analysing various factors such as the general economic condition and growth rate, anticipated demand for residential and commercial properties, disposable income and purchasing power of consumers and land reserve.

The historical transaction amounts for the Engineering Services provided by the Group to the Fantasia Group under the Existing Engineering Services Agreement for the two years ended 31 December 2015 and the 11 months ended 30 November 2016 were as follows:

	<b>Engineering Service Fee paid to the Group (RMB'000)</b>
<b>For the year ended 31 December 2014</b>	13,532
<b>For the year ended 31 December 2015</b>	15,517
<b>11 months ended 30 November 2016</b>	19,594

As at the date of this announcement, the annual caps under the Existing Engineering Services Agreement for the three financial years ending 31 December 2016 have not been exceeded.



### *Reasons for and benefits of the Renewed Engineering Services Agreement*

Shenzhen Kaiyuan Tongji is principally engaged in the provision of the Engineering Services and Shenzhen Fantasia is principally engaged in property development and investment.

Prior to the entering into of the Renewed Engineering Services Agreement, Shenzhen Kaiyuan Tongji has been providing the Engineering Services to the Fantasia Group. Taking into consideration of the stable and well-established cooperation history and strategic business relationship between the Group and the Fantasia Group, the Directors consider that it is in the interest of the Company to continuously enter into the Renewed Engineering Services Agreement with Shenzhen Fantasia as (a) the Group is familiar with the specifications, standards and requirements of the Engineering Services of the Fantasia Group; and (b) the entering into of the Renewed Engineering Services Agreement would guarantee a stable source of provision of the Engineering Services by the Group to the Fantasia Group. The Directors (including the independent non-executive Directors but excluding the interested Directors) considered that the terms of the Renewed Engineering Services Agreement would be conducted on normal commercial terms; and the Renewed Engineering Services Agreement was entered into in the ordinary and usual course of business of the Group, the terms of Renewed Engineering Services Agreement and the relevant proposed annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### *Listing Rules Implications*

Shenzhen Fantasia is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Renewed Engineering Services Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Renewed Engineering Services Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Renewed Engineering Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



## 2. Renewed Pre-delivery Property Management Services Agreement

- Date: 29 December 2016
- Parties: (a) Shenzhen Colour Life Property Management  
(b) Shenzhen Fantasia
- Subject: The Group agreed to provide any member of Fantasia Group with the Pre-delivery Property Management Services.
- Term: The Renewed Pre-delivery Property Management Services Agreement has a fixed term of three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).
- Price: The Management Fee will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable services offered by any members of the Group to Independent Third Parties.
- Payment: Payment of the Management Fee will be settled by way of cash, subject to the terms of the individual service agreements in respect of the Pre-delivery Property Management Services to be entered into between any members of the Group and of the Fantasia Group under the Renewed Pre-delivery Property Management Services Agreement.

### *Pricing Policies and Internal Control*

As a general principle, the price and terms of the individual service agreements in respect of the Pre-delivery Property Management Services will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group transacts business with other Independent Third Parties and shall be on terms which are no less favourable to the Fantasia Group than those offered to Independent Third Parties.

The Management Fee will be determined in accordance with the following general principles in ascending order:

- (1) the reference price prescribed by state (if any);
- (2) the price based on the guidance issued by the local competent authorities of property management in the PRC (if any);

- (3) where there is no such reference price, the price shall be determined after arm's length negotiation between the Group and the Fantasia Group with reference to (a) the rates comparable to those offered by the Group to the Independent Third Parties; and (b) cost in connection with the provision of the Pre-delivery Property Management Services. In determining such rates, the relevant personnel of the business department of the Group shall obtain at least two comparable transactions with its customers, which are Independent Third Parties so as to ensure that the fee for the Pre-delivery Property Management Services that the Group will be charging the Fantasia Group is comparable to those being offered to its customers, which are Independent Third Parties.

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant 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 personnel and management of the Group will conduct regular checks and assess whether individual transactions contemplated under the Renewed Pre-delivery Property Management Services Agreement are conducted in accordance with the terms of the agreement and will also regularly review whether the fee charged for the Pre-delivery Property Management Services is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under the Renewed Pre-delivery Property Management Services 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 mechanism is effective to ensure that the transactions contemplated under the Renewed Pre-delivery Property Management Services 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.

#### *Annual Caps*

It is proposed that the annual caps under the Renewed Pre-delivery Property Management Services Agreement for each of the financial years ending 31 December 2017, 2018 and 2019 will not exceed the followings:

<b>For the year ending 31 December</b>	<b>Management Fee payable to the Group (RMB'000)</b>
<b>2017</b>	23,000
<b>2018</b>	25,000
<b>2019</b>	28,000

The annual caps for the three years ending 31 December 2019 for the provision of the Pre-delivery Property Management Services have been determined based on (a) the estimated pre-sale GFA of the properties developed by the Fantasia Group based on the Fantasia Group's development plan and managed by the Group for 2017 to 2019; (b) the estimated delivery GFA of the properties developed by the Fantasia Group based on the Fantasia Group's development plan and managed by the Group and potential unsold portion for 2017, 2018 and 2019 as compared to the eleven months ended 30 November 2016; and (c) a reasonable increment of the management fees to be charged by the Group, taking into account the expected inflation for the three years ending 31 December 2019.

The historical transaction amounts for the Pre-delivery Property Management Services provided by the Group to the Fantasia Group under the Existing Pre-delivery Property Management Services Agreement for the two years ended 31 December 2015 and the 11 months ended 30 November 2016 were as follows:

	<b>Management Fee paid to the Group (RMB'000)</b>
<b>For the year ended 31 December 2014</b>	16,326
<b>For the year ended 31 December 2015</b>	13,403
<b>11 months ended 30 November 2016</b>	5,191

The Management Fee charged by the Group for the 11 months ended 30 November 2016 decreased significantly as compared to the corresponding period in 2015. Such decrease was primarily due to the significant decrease in the total GFA of the properties projects of the Fantasia Group, which the Pre-delivery Property Management Services are required, as a result of the sales of certain properties developed by the Fantasia Group in 2016.

As at the date of this announcement, the annual caps under the Existing Pre-delivery Property Management Services Agreement for the three financial years ending 31 December 2016 have not been exceeded.

*Reasons for and benefits of the Renewed Pre-delivery Property Management Services Agreement*

Shenzhen Colour Life Property Management is principally engaged in the provision of the Pre-delivery Property Management Services.

Prior to the entering into of the Renewed Pre-delivery Property Management Services Agreement, Shenzhen Colour Life Property Management has been providing Pre-delivery Property Management Services to the Fantasia Group. Taking into consideration of the stable and well-established cooperation history and strategic business relationship between the Group and the Fantasia Group, the Directors consider that it is in the interest of the Company to continuously enter into the Renewed Pre-delivery Property Management Services Agreement with Shenzhen Fantasia as (a) the

Group is familiar with the standards and requirements of the Pre-delivery Property Management Services of the Fantasia Group; and (b) the entering into of the Renewed Pre-delivery Property Management Services Agreement would guarantee a stable source of provision of the Pre-delivery Property Management Services by the Group to the Fantasia Group. The Directors (including the independent non-executive Directors but excluding the interested Directors) considered that the terms of the Renewed Pre-delivery Property Management Services Agreement would be conducted on normal commercial terms; and the Renewed Pre-delivery Property Management Services Agreement was entered into in the ordinary and usual course of business of the Group, the terms of Renewed Pre-delivery Property Management Services Agreement and the relevant proposed annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### *Listing Rules Implications*

Shenzhen Fantasia is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Renewed Pre-delivery Property Management Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Renewed Pre-delivery Property Management Services Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Renewed Pre-delivery Property Management Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **3. Renewed Network and Advertising Services Agreement**

Date: 29 December 2016

Parties: (a) Shenzhen Colour Life Network  
(b) Shenzhen Investment Consultancy

Subject: Shenzhen Colour Life Network agreed to provide any member of Fantasia Group with the Network and Advertising Services in respect of the financial value-added services procured by the Fantasia Group.

Term: The Renewed Network and Advertising Services Agreement has a fixed term of three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).

Price: The Service Fee will be determined after arm's length negotiations with reference to the prevailing market prices of similar or comparable services offered by Shenzhen Colour Life Network to Independent Third Parties.

Payment: Payment of the Service Fee will be settled by way of cash, subject to the terms of the individual service agreements in respect of the Network and Advertising Services to be entered into between Shenzhen Colour Life Network and any member of the Fantasia Group under the Renewed Network and Advertising Services Agreement.

*Pricing Policies and Internal Control*

As a general principle, the price and terms of the individual service agreements in respect of the Network and Advertising Services will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as Shenzhen Colour Life Network transacts business with other Independent Third Parties and shall be on terms which are no less favourable to the Fantasia Group than those offered to Independent Third Parties.

The Service Fee will be fixed at:

- (a) 2% of the value of the financial products procured by the Fantasia Group multiplied by actual number of months which such products subsisted divided by 12; and
- (b) 1.5% of the financing products procured by the Fantasia Group multiplied by the actual number of days which the financing products are outstanding divided by 365, through the e-platforms of Shenzhen Colour Life Network by its users.

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant 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 personnel and management of the Group will conduct regular checks and assess whether individual transactions contemplated under the Renewed Network and Advertising Services Agreement are conducted in accordance with the terms of the agreement and will also regularly review whether the price charged for the Network and Advertising Services is fair and reasonable and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under the Renewed Network and Advertising Services 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 mechanism is effective to ensure that the transactions contemplated under the Renewed Network and Advertising Services 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.

### *Annual Caps*

It is proposed that the annual caps under the Renewed Network and Advertising Services Agreement for each of the financial years ending 31 December 2017, 2018 and 2019 will not exceed the followings:

<b>For the year ending 31 December</b>	<b>Service Fee payable to Shenzhen Colour Life Network (RMB'000)</b>
2017	36,000
2018	38,000
2019	40,000

The annual caps for the three years ending 31 December 2019 for the provision of the Network and Advertising Services have been determined based on (a) the historical transaction amounts for the eleven months ended 30 November 2016; (b) based on the development plan of the Group, the number of the properties to be managed or acquired by the Group for the years 2017, 2018 and 2019 shall increase and the number of new owners, who use the e-platform of Shenzhen Colour Life Network for the property-related services, would increase; (c) coupled with the promotion of Shenzhen Colour Life Network, more existing owners shall use the e-platform of Shenzhen Colour Life Network and therefore the transaction value and amount through the e-platform of Shenzhen Colour Life Network is expected to increase by approximately 14% per annum; and (d) a reasonable increment of the Service Fee to be charged by the Group, taking into account the expected inflation for the three years ending 31 December 2019.

The historical transaction amounts for the Network and Advertising Services provided by Shenzhen Colour Life Network to the Fantasia Group for the 11 months ended 30 November 2016 were as follows:

	<b>Service Fee paid to Shenzhen Colour Life Network (RMB'000)</b>
11 months ended 30 November 2016	23,800

As at the date of this announcement, the annual cap under the Existing Network and Advertising Services Agreement for the financial year ending 31 December 2016 has not been exceeded.

### *Reasons for and benefits of the Renewed Network and Advertising Services Agreement*

Shenzhen Colour Life Network is principally engaged in the provision of community leasing, sales and other services. Shenzhen Investment Consultancy is principally engaged in provision of the financial products and financing products.

Prior to the entering into of the Renewed Network and Advertising Services Agreement, Shenzhen Colour Life Network has been providing the Network and Advertising Services to the Fantasia Group. Taking into consideration of the stable and well-established cooperation history and strategic business relationship between Shenzhen Colour Life Network and the Fantasia Group, the Directors consider that it is in the interest of the Company to continuously enter into the Renewed Network and Advertising Services Agreement with Shenzhen Investment Consultancy as the entering into of the Renewed Network and Advertising Services Agreement would guarantee a stable source of provision of the Network and Advertising Services to the Group. The Directors (including the independent non-executive Directors but excluding the interested Directors) considered that the terms of the Renewed Network and Advertising Services Agreement would be conducted on normal commercial terms; and the Renewed Network and Advertising Services Agreement was entered into in the ordinary and usual course of business of the Group, the terms of Renewed Network and Advertising Services Agreement and the relevant proposed annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### *Listing Rules Implications*

Shenzhen Investment Consultancy is an indirect wholly owned subsidiary of Fantasia Holdings, a substantial shareholder of the Company, and is a connected person of the Company for the purpose of the Listing Rules. The transactions contemplated under the Renewed Network and Advertising Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) for the transactions contemplated under the Renewed Network and Advertising Services Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Renewed Network and Advertising Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **GENERAL**

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

Mr. Pan Jun and Mr. Lam Kam Tong are executive directors of Fantasia Holdings and are considered to be interested in the transactions contemplated under the Network and Advertising Services Agreement and the Renewed Agreements and have abstained from voting on the board resolutions for approving the transactions contemplated thereunder.



## DEFINITIONS

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

“Board”	the board of Directors;
“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 same meaning as given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Engineering Services”	engineering services, including but not limited to installation and fitting of power systems, energy-saving lights and other related services;
“Engineering Service Fee”	fee to be payable by the Fantasia Group to the Group in respect of the provision of the Engineering Services;
“Existing Agreements”	the Existing Engineering Services Agreement, the Existing Pre-delivery Property Management Services Agreement and the Existing Network and Advertising Services Agreement;
“Existing Engineering Services Agreement”	the engineering services framework agreement dated 11 June 2014 (as supplemented on 30 November 2016) entered into among Shenzhen Kaiyuan Tongji, Fantasia Group (China) and Shenzhen Fantasia;
“Existing Pre-delivery Property Management Services Agreement”	the pre-delivery property management services agreement dated 11 June 2014 entered into among Shenzhen Colour Life Property Management, Fantasia Group (China) and Shenzhen Fantasia;
“Fantasia Group”	Fantasia Holdings and its subsidiaries (for the purpose of this announcement, excluding the Group);
“Fantasia Group (China)”	花樣年集團(中國)有限公司 (Fantasia Group (China) Co., Ltd.*), a limited liability company established in the PRC, a wholly owned subsidiary of Fantasia Holdings;
“Fantasia Holdings”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, a substantial shareholder of the Company;
“GFA”	gross floor area;
“Group”	the Company and its subsidiaries;

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with the Director, substantial Shareholder or chief executive of the Company or its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Fee”	fees to be payable by the Fantasia Group to the Group in respect of the provision of the Pre-delivery Property Management Services;
“Network and Advertising Services”	network and advertising services in connection with the financial value-added services procured by the Fantasia Group, including but not limited to the provision of the e-platform (including CaizhiYun platform (彩之雲)) for the customers of the Fantasia Group and the advertising services;
“Network and Advertising Services Agreement” or “Existing Network and Advertising Services Agreement”	a network and advertising services agreement dated 29 December 2016 entered into between Shenzhen Colour Life Network and Shenzhen Investment Consultancy;
“PRC”	the People’s Republic of China;
“Pre-delivery Property Management Services”	pre-delivery property management services, including but not limited to (a) the provision of on-site security, cleaning and other related services as well as customer services to be provided to the property sales centre of the Fantasia Group such as concierge services, customer car parking guidance at the pre-sale stage; and (b) the provision of operations and management services at the pre-delivery stage for the unsold portion of the property developments of the Fantasia Group;
“Renewed Agreements”	the Renewed Engineering Services Agreement and the Renewed Pre-delivery Property Management Services Agreement and the Renewed Network and Advertising Services Agreement;
“Renewed Engineering Services Agreement”	an engineering services agreement dated 29 December 2016 entered into between Shenzhen Kaiyuan Tongji and Shenzhen Fantasia;
“Renewed Network and Advertising Services Agreement”	a network and advertising services agreement dated 29 December 2016 entered into between Shenzhen Colour Life Network and Shenzhen Investment Consultancy;

“Renewed Pre-delivery Property Management Services Agreement”	a pre-delivery property management services agreement dated 29 December 2016 entered into between Shenzhen Colour Life Property Management and Shenzhen Fantasia;
“RMB”	Renminbi, the lawful currency of the PRC;
“Service Fee”	fee to be payable by the Fantasia Group to Shenzhen Colour Life Network in respect of the provision of the Network and Advertising Services;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Shenzhen Colour Life Network”	Shenzhen Colour Life Network Service Co., Ltd. (深圳市彩生活網絡服務有限公司), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company;
“Shenzhen Colour Life Property Management”	Shenzhen Colour Life Property Management Co., Ltd. (深圳市彩生活物業管理有限公司) (formerly known as Shenzhen Xingyan Property Management Co., Ltd. (深圳市星彥物業管理有限公司) or Shenzhen Fantasia Property Management Co., Ltd. (深圳市花樣年物業管理有限公司)), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company;
“Shenzhen Fantasia”	深圳市花樣年地產集團有限公司 (Shenzhen Fantasia Real Estate Group Limited*), a limited liability company established in the PRC and a wholly owned subsidiary of Fantasia Holdings;
“Shenzhen Investment Consultancy”	深圳市合和年投資諮詢有限公司 (Shenzhen Hehenian Investment Consultancy Co., Ltd.*), a limited liability company established in the PRC and a wholly owned subsidiary of Fantasia Holdings;
“Shenzhen Kaiyuan Tongji”	深圳市開元同濟樓宇科技有限公司 (Shenzhen Kaiyuan Tongji Building Technology Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“substantial shareholder” has the same meaning ascribed to it under the Listing Rules.

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, 29 December 2016

*As at the date of this announcement, the Board 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.*