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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)

EXEMPTED CONNECTED TRANSACTION
ACQUISITION OF INSURANCE BROKER

The Board announces that on 14 April 2021, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendor pursuant to which the Purchaser agreed to acquire from the Vendor the entire equity interest in the Target Company for a consideration of RMB30,199,900.

The Target Company is an insurance broker established in the PRC.

The Vendor is a subsidiary of Fantasia, the controlling shareholder 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 Acquisition are over 0.1% but less than 5%, the Acquisition is subject to the notification and announcement requirements and exempted from the requirement of independent shareholders' approval under the Listing Rules.

THE SHARE TRANSFER AGREEMENT

On 14 April 2021, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendor. The salient terms of the Share Transfer Agreement are summarised below:

Subject matter

The Purchaser will acquire from the Vendor the entire equity interest in the Target Company.

Consideration

The consideration for the Acquisition is RMB30,199,900, which was determined by the parties after arm's length negotiations with reference to (i) net asset value of the Target Company as at 31 December 2020; (ii) the valuation by using asset approach, the 100% equity interest of the Target Company prepared by an independent valuer of RMB30,199,900; and (iii) the financial performance, business development plans and prospects of the Target Company.

The consideration will be payable by the Purchaser in the following manners:

- (i) RMB9,059,970, representing 30% of the consideration, will be payable within 10 business days after the Purchaser completing the due diligence on the Target Company;
- (ii) RMB9,059,970, representing 30% of the consideration, will be payable within 10 business days after completion of the registration of the equity transfer with the administrative department for industry and commerce; and
- (iii) the balance RMB12,079,960, representing 40% of the consideration, will be payable within 10 business days after the hanging over of the Target Company to the Purchaser in accordance with the terms of the Share Transfer Agreement.

The Target Company

The Target Company is an insurance broker established in the PRC in 2004. It possesses the insurance license to engage in the insurance intermediate business.

The net asset value of the Target Company as at 31 December 2020 was approximately RMB30,177,000. Financial results of the Target Company for the two years immediately preceding the date of the Share Transfer Agreement are as follows:

	For the year	
	ended 31 December	
	2019	2020
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	231	960
Net (loss)/profit after tax	(372)	1,064

After completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Group and its results will be consolidated into the financial statements of the Company.

REASONS FOR THE TRANSACTION

The Acquisition will provide the Company with an in-house insurance brokerage to (i) provide insurance brokerage services to the various businesses of the Group; and (ii) provide insurance brokerage services for property, vehicle, life, medical and other insurance services to the residents of the properties managed by the Group, thereby enabling the Group to provide a more comprehensive services to its residents and creating added-value. Moreover, it is expected that the online insurance sales qualification of the Target Company could compliment the development of the Group's online service platform.

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.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands and is principally engaged in the provision of property management services, engineering services and community leasing, sales and other services.

The Purchaser

The Purchaser is a limited liability company established in the PRC and is principally engaged in the leasing of self-owned property, real estate brokerage, development of computer software and operational internet information services. It is a wholly-owned subsidiary of the Company.

The Vendor

The Vendor is a limited liability company established in the PRC and is principally engaged in the management and maintenance of application system relating to finance industry, development of banking and finance software and provision of data processing services. It is a wholly-owned subsidiary of Fantasia, the controlling shareholder of the Company. Fantasia is a company incorporated in the Cayman Islands and is principally engaged in the business of property development, lease of investment properties, property agency services, property operation, provision of hotel management and travel agency service. The shares of Fantasia are listed on the main board of the Stock Exchange (stock code: 1777).

IMPLICATIONS UNDER THE LISTING RULES

The Vendor is a subsidiary of Fantasia, the controlling shareholder 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 Acquisition are over 0.1% but less than 5%, the Acquisition 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. Chen Xinyu are executive directors of Fantasia and Mr. Zhu Guogang and Mr. Wu Qingbin hold executive positions in Fantasia. Accordingly, each of Mr. Pan Jun, Mr. Chen Xinyu, Mr. Zhu Guogang and Mr. Wu Qingbin are considered to have a material interest in the Acquisition and 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:

“Acquisition”	the acquisition of the entire equity interest in the Target Company by the Purchaser;
“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;
“Fantasia”	Fantasia Holdings 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, the controlling shareholder of the Company;
“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;

“PRC”	the People’s Republic of China;
“Purchaser”	深圳市彩生活網路服務有限公司 (Shenzhen Colour Life Network Services Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Transfer Agreement”	the agreement dated 14 April 2021 between the Vendor and the Purchaser;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳市中安信保險經紀有限公司 (Shenzhen Zhonganxin Insurance Broker Co., Ltd.*), a company established in the PRC and a subsidiary of Fantasia as at the date of this announcement;
“Vendor”	深圳市前海花樣年金融服務有限公司 (Shenzhen Qianhai Fantasia Financial Services Co., Ltd.*), a company established in the PRC and a subsidiary of Fantasia; and
“%”	per cent.

By Order of the Board
Colour Life Services Group Co., Limited
PAN Jun
Chairman and Acting Chief Executive Officer

Hong Kong, 14 April 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. PAN Jun, Mr. CHEN Xinyu and Mr. ZHU Guogang as executive directors; Mr. WU Qingbin, Mr. ZHENG Hongyan and Ms. SUN Dongni as non-executive directors; and Mr. TAM Chun Hung, Anthony, Mr. XU Xinmin and Mr. ZHU Wuxiang as independent non-executive directors.

* for identification purpose only