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Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01777)



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)

DISCLOSEABLE ANNOUNCEMENT

CONNECTED TRANSACTION

On 25 August 2016 (after the trading hours), Wuhu Gopher, Fantasia China, Shenzhen Colour Life, Home E&E, and Shenzhen Jiaxin entered into the Investment Agreement in relation to the formation of the Fund for a period of 2 years (which may be extended where necessary) with the estimated capital contribution of RMB980 million. The capital contribution to be made by subscribers to be procured by Wuhu Gopher (or its related companies), Fantasia China, Shenzhen Colour Life (or its related companies) and Home E&E (or its related companies) would be RMB600 million, RMB260 million, RMB60 million and RMB60 million, representing approximately 61.3%, 26.5%, 6.1% and 6.1% of the total capital contribution of the Fund, respectively, and will be satisfied by cash.

As one of the applicable percentage ratios in respect of the Fantasia Investment is more than 5% but less than 25%, the Investment Agreement and the Fantasia Investment constitute a discloseable transaction of the Company. The Fantasia Investment is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Fantasia is interested in approximately 72.06% of the issued shares of Colour Life. Fantasia is the controlling shareholder and a connected person of Colour Life. The entering into of the Investment Agreement constitutes a connected transaction for Colour Life for the purpose of the Listing Rules. As the applicable percentage ratios in respect of the Colour Life Investment are more than 0.1% but less than 5%, the Colour Life Investment is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirements under the Listing Rules.

Shareholders and investors of Fantasia and Colour Life should note that the proposed transactions contemplated under the Investment Agreement are subject to completion and may or may not materialise. Shareholders and investors of Fantasia and Colour Life are reminded to exercise caution when dealing in their securities.

THE INVESTMENT AGREEMENT

Date

25 August 2016

Parties

- (1) Wuhu Gopher
- (2) Fantasia China, a wholly-owned subsidiary of Fantasia
- (3) Shenzhen Colour Life, a wholly-owned subsidiary of Colour Life
- (4) Home E&E, a non wholly-owned subsidiary of Fantasia
- (5) Shenzhen Jiaxin, a wholly-owned subsidiary of Fantasia as at the date of this announcement

To the best knowledge, information and belief of the directors of Fantasia and Colour Life, having made all reasonable enquiry, Wuhu Gopher and their respective ultimate beneficial owners are third parties independent of Fantasia, Colour Life and their respective connected persons. As advised by Wuhu Gopher, the subscribers to be procured by it or its related companies would be independent of Fantasia, Colour Life and their respective connected persons.

Subject matter

Wuhu Gopher, Fantasia China, Shenzhen Colour Life, Home E&E and Shenzhen Jiaxin entered into the Investment Agreement in relation to the formation of the Fund for a period of 2 years (which may be extended where necessary) with a total capital contribution of RMB980 million. The Investment Agreement shall take effect upon the approval by the board and shareholders of Home E&E.

Capital contribution

The capital contribution by subscribers to be procured by Wuhu Gopher (or its related companies), Fantasia China, Shenzhen Colour Life (or its related companies) and Home E&E (or its related companies) to the Fund will be RMB600 million, RMB260 million, RMB60 million and RMB60 million, representing approximately 61.3%, 26.5%, 6.1% and 6.1% of the total capital contribution of the Fund, respectively, and will be satisfied by cash. The Fund size is determined after arm's length negotiations between the parties and the estimated investment scale of the Fund.

The Fantasia Investment to be made by Fantasia China and Home E&E will be satisfied by the internal resources of Fantasia.

The Colour Life Investment to be made by Shenzhen Colour Life will be satisfied by the internal resources of Colour Life.

As the Fund will be managed by Wuhu Gopher, the financial results of the Fund will not be consolidated into the financial statements of Fantasia Group.

Distributions of Investment Return

Subscribers to be procured by Wuhu Gopher, Fantasia China, Shenzhen Colour Life and Home E&E will share the investment return derived from the Fund in proportion to their actual capital contribution to the Fund.

Scope of Investments

It is expected that Wuhu Gopher would, on behalf of the Fund, acquire the entire equity interest in Shenzhen Jiaxin from Fantasia China at the estimated consideration of RMB204 million and provide the shareholders' loan in the estimated amount of RMB776 million to Shenzhen Jiaxin. After the Transfer, Shenzhen Jiaxin would cease to be a subsidiary of Fantasia.

Fantasia will comply with the requirements of the Listing Rules when binding agreement with respect to the Transfer is entered into.

It is anticipated that upon completion of the Transfer, the board of Shenzhen Jiaxin will comprise three directors. Wuhu Gopher has the right to nominate two directors and Fantasia China has the right to nominate one director. In addition, Wuhu Gopher has the right to nominate the supervisor of Shenzhen Jiaxin.

INFORMATION ON THE PARTIES

Wuhu Gopher is a company established in the PRC and is principally engaged in assets management.

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 operation, provision of hotel management and travel agency service.

Fantasia China is a wholly-owned subsidiary of Fantasia and is principally engaged in property development.

Home E&E is primarily engaged in the provision of property management, asset operation and management and the relevant value added services for commercial properties. As at the date of this announcement, Home E&E is a non-wholly owned subsidiary of Fantasia.

Shenzhen Jiaxin is a wholly-owned subsidiary of Fantasia as at the date of this announcement. It is principally engaged in the provision of consulting services.

Colour Life is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange. Colour Life is principally engaged in the provision of property management services, engineering services and community leasing, sales and other services. As at the date of this announcement, Colour Life is owned as to approximately 72.06% by Fantasia and is an indirect non-wholly subsidiary of Fantasia.

Shenzhen Colour Life is a wholly-owned subsidiary of Colour Life and is principally engaged in the provision of property management services.

REASONS FOR AND BENEFITS OF THE FANTASIA INVESTMENT AND COLOUR LIFE INVESTMENT

Fantasia

The directors of Fantasia consider that the entering into of the Investment Agreement and the Fantasia Investment could enhance the reputation and competitiveness of Shenzhen Jiaxin in the market as investment by Wuhu Gopher demonstrates its confidence in the operation of Shenzhen Jiaxin and serves as endorsements of Shenzhen Jiaxin's performance, strength and prospects.

As such, the directors (including the independent non-executive directors) of Fantasia are of the view that the Investment Agreement was entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in line with the overall development strategy of Fantasia as well as in the interest of Fantasia and its shareholders as a whole.

Colour Life

The cooperation between Fantasia and Wuhu Gopher will create an alliance and could bring about a consolidation of resources and complement of the strengths of each other. With such cooperation, it is expected that Colour Life, being a subsidiary of Fantasia which is engaged in the provision of professional and high standard of property management services, and Home E&E, being another subsidiary of Fantasia which is engaged in the provision of property management, asset operation and management for commercial properties, will benefit from the greater cooperation opportunity with Wuhu Gopher.

As such, the directors (including the independent non-executive directors) of Colour Life are of the view that the Investment Agreement was entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in line with the overall development strategy of Colour Life as well as in the interest of Colour Life and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Fantasia

As one of the applicable percentage ratios in respect of the Fantasia Investment is more than 5% but less than 25%, the Investment Agreement and the Fantasia Investment constitute discloseable transaction of the Company. The Fantasia Investment is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Colour Life

As at the date of this announcement, Fantasia is interested in approximately 72.06% of the issued share capital of Colour Life and is the controlling shareholder and a connected person of Colour Life. As such, Fantasia China and Home E&E, being subsidiaries of Fantasia, are connected persons of Colour Life under the Listing Rules. Accordingly, the entering into of the Investment Agreement constitutes a connected transaction for Colour Life for the purpose of the Listing Rules. As the applicable percentage ratios in respect of the Colour Life Investment are more than 0.1% but less than 5%, the Colour Life Investment is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirements under the Listing Rules.

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

GENERAL

Shareholders and investors of Fantasia and Colour Life should note that the proposed transactions contemplated under the Investment Agreement are subject to completion and may or may not materialise. Shareholders and investors of Fantasia and Colour Life are reminded to exercise caution when dealing in their securities.

DEFINITIONS

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

“Colour Life”	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;
“Colour Life Investment”	capital contribution to be made by Shenzhen Colour Life (or its related companies) to the Fund in the aggregate amount of RMB60 million;

“connected person”	has the meaning ascribed to it under the Listing Rules;
“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;
“Fantasia China”	花樣年集團(中國)有限公司 (Fantasia Group (China) Limited*), a company established in the PRC, a wholly-owned subsidiary of Fantasia;
“Fantasia Investment”	capital contribution to be made by Fantasia China, Shenzhen Colour Life (or its related companies) and Home E&E (or its related companies) to the Fund in the aggregate amount of RMB380 million;
“Fund”	a fund to be set up by Wuhu Gopher and invested in by subscribers to be procured by Wuhu Gopher (or its related companies), Fantasia China, Shenzhen Colour Life (or its related companies) and Home E&E (or its related companies);
“Investment Agreement”	the agreement dated 25 August 2016 among Wuhu Gopher, Fantasia China, Home E&E, Shenzhen Colour Life and Shenzhen Jiaxin in respect of the formation of the Fund;
“Home E&E”	深圳市美易家商務服務集團股份有限公司 (Shenzhen Home E&E Commercial Services Group Co., Ltd.*), a company established in the PRC and an indirect non-wholly subsidiary of Fantasia incorporated in the PRC, the shares of which are quoted on the NEEQ;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NEEQ”	全國中小企業股份轉讓系統 (National Equities Exchange and Quotations System*);
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“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 Colour Life as at the date of this announcement;

“Shenzhen Jiaxin”	深圳市嘉信諮詢服務有限公司 (Shenzhen Jiaxin Information Consulting Services Co., Ltd.), a company established in the PRC and a wholly-owned subsidiary of Fantasia as at the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transfer”	the contemplated transfer of the entire equity interest in Shenzhen Jiaxin from Fantasia China to the Fund;
“Wuhu Gopher”	蕪湖歌斐資產管理有限公司 (Wuhu Gopher Asset Management Co., Ltd.*) a company established in the PRC; and
“%”	per cent.

By Order of the Board
FANTASIA HOLDINGS GROUP CO., LIMITED
PAN Jun
Chairman

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

Hong Kong, 25 August 2016

As at the date of this announcement, the board of directors of Fantasia comprises Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Lam Kam Tong and Mr. Zhou Jinquan as executive directors; Mr. Li Dong Sheng and Mr. Yuan Hao Dong as the non-executive directors; and Mr. Ho Man, Mr. Huang Ming, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu as independent non-executive directors.

As at the date of this announcement, the board of directors of Colour Life 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.