

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 1777)



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

CONNECTED TRANSACTION

Reference is made to the joint announcement of Fantasia Holdings Group Co., Limited and Colour Life Services Group Co., Limited dated 2 January 2024 (the “**Announcement**”). Capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

Fantasia and Colour Life would like to provide additional information in relation to the Transaction.

The consideration for the Transaction was determined with reference to an independent valuation of the Target Subsidiary as at 30 June 2023 based on the asset method and the current market conditions for the business engaged by the Target Subsidiary.

The key input in the valuation was the fair values of the balance sheet items as at 30 June 2023, including approximately (i) RMB1.29 million for current assets (comprising cash and cash equivalents, accounts receivable, inventories, prepayments and other receivables); (ii) RMB5.52 million for non-current assets (comprising fixed assets and long-term prepaid expenses); (iii) RMB2.51 million for current liabilities (comprising accounts payable, accounts received in advance, employee benefits payable, other payables and tax payable); and (iv) RMB0.14 million of non-current liability (comprising deferred income). Accordingly, the net asset value of the Target Subsidiary based on the valuation report was approximately RMB4.16 million as at 30 June 2023, which is slightly higher than the unaudited net asset value of the Target Subsidiary as at 30 June 2023 of approximately RMB3.90 million. The minor difference of approximately RMB0.26 million was primarily due to the difference in the unaudited amount of electrical appliances recorded as fixed assets of approximately RMB0.57 million based on the depreciation methodology applied on the accumulated depreciation in accordance with the applicable accounting principles of the PRC and the fair value of

approximately RMB0.83 million in the valuation report. The key assumptions used in the valuations were customary assumptions for such valuations including no major changes in the macro-economic conditions in the jurisdiction in which the Target Subsidiary operates; no litigation, charges or mortgages, or guarantee that will cause a material adverse impact on the financial position of the Target Subsidiary; all basic information provided to the valuer relating to the Target Subsidiary are true, accurate and complete in all material respects. In selecting the valuation methodology, the three generally accepted methods (the income method, the market method and the asset method) were considered. The market method was not adopted given the Target Subsidiary's was principally engaged in elderly care services. There was a lack of publicly available information on active transactions or comparable transactions of the scale of that of the Target Subsidiary in the relevant sector. The income approach was not adopted as it involves more assumptions and projections, taking into account of the economic volatility in recent years which may affect the occupancy rate of the elderly homes. The asset method was considered appropriate as the business of the Target Subsidiary has been carried out primarily on its tangible assets and equipment.

Fantasia intends to apply the net proceeds of the Transaction for general working capital purposes. Given the accounts of Colour Life are consolidated with that of Fantasia, the Target Subsidiary will continue to be consolidated with each of the Fantasia's and Colour Life's result. The Disposal is accounted for as equity transaction and it is expected that it will have no gain or loss to be recognised in profit or loss arising from the Disposal for Fantasia and Colour Life.

By Order of the Board
Fantasia Holdings Group Co., Limited
CHENG Jianli
Chairman

By Order of the Board
Colour Life Services Group Co., Limited
ZHU Jindong
Chairman

Hong Kong, 8 April 2024

As at the date of this announcement, the executive directors of Fantasia are Ms. Cheng Jianli, Mr. Ke Kasheng, Mr. Timothy David Gildner and Mr. Lin Zhifeng; the non-executive directors of Fantasia are Ms. Zeng Jie, Baby and Mr. Su Boyu; and the independent non-executive directors of Fantasia are Mr. Guo Shaomu, Mr. Kwok Chi Shing and Mr. Ma Yu-heng.

As at the date of this announcement, the board of directors of Colour Life comprises Mr. Liu Hongcai and Ms. Yang Lan as executive directors; Mr. Zhu Jindong, Mr. Timothy David Gildner and Mr. Chen Wenjian as non-executive directors; and Mr. Lee Yan Fai, Mr. Zhang Raymond Yue and Ms. Yu Shan as independent non-executive directors.