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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: 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)

JOINT ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT IN RELATION TO THE TRANSFER OF LINK JOY HOLDINGS GROUP CO., LIMITED

Reference is made to the joint announcement of Fantasia and Colour Life dated 26 October 2021 (the “**Joint Announcement**”) in relation to, among others, the transfer of the entire issued share capital of Link Joy Holdings Group Co., Limited. Capitalised terms used in this announcement have the same meanings as those in the Joint Announcement.

Reference is also made to the section headed “SUPPLEMENTAL AGREEMENT” of the Joint Announcement. On 28 March 2022, Colour Life, Shenzhen Colour Life, the Purchaser and the Target Company entered into the supplemental agreement (the “**Supplemental Agreement**”), the principal terms of which are set out below.

1. PAYMENT OF CONSIDERATION

Under the Share Transfer Agreement, the consideration for the Sale Share payable by the Purchaser is RMB3,300 million. As at the date of this announcement, RMB2,300 million has been received by the Colour Life Group. The balance of the consideration under the Share Transfer Agreement will be payable as follows:

- (i) the amount of RMB700 million will be set off against the loan of RMB700 million that has been advanced by the Purchaser to the Colour Life Group as described in the section headed “THE LOAN AGREEMENT” of the Joint Announcement. Upon the set-off, Colour Life will be deemed to have discharged its payment obligation under the Loan Agreement in full; and
- (ii) the balance of RMB300 million will be payable in two instalments.

2. CONDITIONS TO THE PAYMENT OF THE TWO INSTALMENTS

(1) The first instalment

The first instalment in the amount of RMB280,000,000 will be payable within three business days upon fulfilment of the following conditions:

- (i) the Purchaser having appointed a target work force (including but not limited to senior management in the finance, business operations, legal and human resources departments) to the principal members of the Target Group;
- (ii) the relevant anti-monopoly authorities in the PRC having approved the transactions contemplated under the Share Transfer Agreement (as supplemented by the Supplemental Agreement);
- (iii) the registration procedures to register the Purchaser as the registered holder of the Sale Share having been completed;
- (iv) Colour Life having transferred the relevant constitutional documents (including licenses and certificates) and company kit (including company seals and chops) of members of the Target Group to the Purchaser;
- (v) completion of the relevant business registration procedures of certain members of the Target Group;
- (vi) completion of registration of the transfer of the equity interest of the companies to be retained by the Colour Life Group, namely 深圳市花漾樂商業服務有限公司 and 深圳市前海盛峰通達股權投資有限公司, from the Target Group to the Colour Life Group;
- (vii) the release of certain charged equity interests of members of the Target Group, which were charged to banks or financial institutions;

- (viii) the perfection of the formalities of the mortgages subsisting on the immovable properties of the Target Group;
- (ix) the Target Company and its principal subsidiaries having settled any outstanding amounts owed by them to members of the Colour Life Group;
- (x) Colour Life having settled any amount payable to members of the Target Group;
- (xi) the release of any guarantees provided by members of the Target Group;
- (xii) the Purchaser having obtained the relevant information system and data platform of the principal members of the Target Group; and
- (xiii) Colour Life having completed the relevant procedures for the change in personnel in members of the Target Group including the retention of working level personnel of the project companies of the Target Group.

The parties to the Supplemental Agreement have agreed that any unsettled amount owed by members of the Colour Life Group to the Target Group may be set off via the consideration for the Sale Share payable by the Purchaser.

(2) The second instalment

The second instalment in the amount of RMB20,000,000 will be payable upon Colour Life and Fantasia having obtained the relevant shareholders approvals for the transfer of the Sale Share at their respective general meetings (i) within one business day after having obtained the approvals if the approvals are obtained on or before 30 June 2022; or (ii) within six months after having obtained the approvals if the approvals are obtained after 30 June 2022.

3. COMPLETION

Completion of the transfer of the Sale Share under the Share Transfer Agreement will take place upon the payment of the second instalment of RMB20,000,000 by the Purchaser.

4. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the transfer of the Sale Share under the Share Transfer Agreement is more than 75%, the transfer constitutes a very substantial disposal of Fantasia and Colour Life under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. A circular containing further information transfer of the Sale Share under the Share Transfer Agreement will be despatched to the Shareholders on or before 31 May 2022 as more time is required to prepare the relevant information for inclusion in the circular. An extraordinary general meeting will be convened and held for the shareholders of Fantasia and the shareholders of Colour Life to consider and, if thought fit, approve the transfer of the Sale Share under the Share Transfer Agreement.

The Supplemental Agreement was approved by the respective board of directors of Fantasia and Colour Life (including all the independent non-executive directors). At the board meeting of Colour Life, Ms. Sun Dongni, a non-executive director, has voted against the resolution to approve the Supplemental Agreement. Mr. Zheng Hongyan, a non-executive director, was not able to attend the board meeting as he considered that he did not have sufficient time to consider the terms of the Supplemental Agreement, and indicated that, had he attended the relevant board meeting, he would abstain from voting on the resolution to approve the Supplemental Agreement.

By order of the Board
Fantasia Holdings Group Co., Limited
花樣年控股集團有限公司
PAN Jun
Chairman

By Order of the Board
Colour Life Services Group Co., Limited
彩生活服務集團有限公司
PAN Jun
Chairman

Hong Kong, 28 March 2022

As at the date of this joint announcement, the executive directors of Fantasia are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhu Guogang and Mr. Chen Xinyu; the non-executive director of Fantasia is Mr. Su Boyu; and the independent non-executive directors of Fantasia are Mr. Guo Shaomu and Mr. Kwok Chi Shing.

As at the date of this joint announcement, the board of directors of Colour Life comprises Mr. Pan Jun, Mr. Chen Xinyu, Mr. Zhu Guogang and Mr. Liu Hongcai as executive directors; Mr. Wu Qingbin, Mr. Zheng Hongyan and Ms. Sun Dongni as non-executive directors; and Mr. Xu Xinmin and Mr. Zhu Wuxiang as independent non-executive directors.