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佳寧娜集團控股有限公司
CARRIANNA GROUP HOLDINGS COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00126)

DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE

The Board is pleased to announce that, on 24 May 2019, Goldfield, an indirect wholly-owned subsidiary of the Company, Fine Star and Mega Success entered into the Shareholders Agreement pursuant to which (a) Goldfield will subscribe for 100 Shares at a subscription price of HK$1.00 per Share and (b) Goldfield and Fine Star agree to manage and operate the business of Mega Success in accordance with the terms thereunder.

As at the date of the Shareholders Agreement, Fine Star is the sole shareholder of Mega Success, holding 100 Shares representing the entire issued share capital of Mega Success. Upon completion of the subscription of 100 Shares by Goldfield pursuant to the Shareholders Agreement, Goldfield and Fine Star will each be holding 100 Shares, representing 50% of the total issued share capital of Mega Success.

SHAREHOLDERS AGREEMENT

The principal terms of the Shareholders Agreement are set out below:

Date

24 May 2019

Parties

(1) Goldfield, an indirect wholly-owned subsidiary of the Company;

(2) Fine Star; and

(3) Mega Success.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Fine Star and Mega Success are Independent Third Parties.

Scope of Business of Mega Success

Mega Success will be engaged in the Property Development Project.

Funding Requirements

The Shareholders Agreement provides that the Shareholders shall from time to time contribute working capital to Mega Success in such amount and manner as required by the board of directors of Mega Success (but in any event proportional to their respective holding of Shares) for the purpose of funding its operation.

It is expected that the total capital commitment of Goldfield towards Mega Success for the Property Development Project will be approximately HK$200,000,000. Such amount was determined by the Board after estimating the costs involved in the Property Development Project for which Goldfield will be responsible.

Board Composition of Mega Success

The board of directors of Mega Success will comprise six directors, three of which will be nominated by Goldfield and three of which will be nominated by Fine Star. The chairman of the board of directors of Mega Success shall be nominated by Goldfield and the vice-chairman of the board of directors of Mega Success shall be nominated by Fine Star. The vice-chairman of the board of directors of Mega Success will have a casting vote on any matter discussed by the board in case an equal number of votes was cast for such particular matter at a board meeting. Fine Star has agreed to procure that such casting vote will not be exercised in a manner which may place Goldfield in a disadvantaged position as compared with Fine Star.

Restrictions on Share Transfers

Transfer of Shares is subject to the written consent of all Shareholders and the applicable provisions of the Shareholders Agreement, which include (1) right of first refusal by the non-selling Shareholder and (2) in the event the non-selling Shareholder does not exercise its right of first refusal, the right to sell its Shares along with the selling Shareholder.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE SHAREHOLDERS AGREEMENT

The Group is principally engaged in investment holding, property investment and development, and the operations of hotel, restaurant and food businesses.

The Directors believe that the formation of joint venture, i.e. Mega Success, with Fine Star by way of entering into the Shareholders Agreement represents an excellent opportunity for the Group to further expand its property development business in Hong Kong. The Directors are of the view that the Property Development Project is potentially highly profitable since the Properties are situated close to the Cheung Sha Wan Mass Transit Railway station and are surrounded by various redevelopment projects in the district. As of the date of this announcement, Mega Success has completed some preparatory work in relation to the Property Development Project, including the identification of the Properties and negotiations with the majority of their respective owners. The Directors consider that by means of entering into the Shareholders Agreement, the Group can participate in the Property Development Project at an early stage and to enjoy profits derived from the Property Development Project in the long run.

Given the aforesaid reasons and benefits, the Directors (including the independent non-executive Directors) consider that (a) the terms of the Shareholders Agreement are fair and reasonable; (b) the Shareholders Agreement is on normal commercial terms and in the interest of the Company and its shareholders as a whole. None of the Directors has a material interest in the Shareholders Agreement.

INFORMATION ABOUT THE PARTIES

The Company

The Company was incorporated in Bermuda with limited liability. It is an investment holding company.

Goldfield

Goldfield was incorporated under the laws of Hong Kong with limited liability. It is an investment holding company.

Fine Star

Fine Star was incorporated under the laws of Hong Kong with limited liability. It is an investment holding company.

Mega Success

Mega Success is a company incorporated under the laws of Hong Kong with limited liability. It is principally engaged in the Property Development Project.

LISTING RULES IMPLICATIONS

It is expected that the total capital commitment of Goldfield towards Mega Success for the Property Development Project will be approximately HK$200,000,000. As one of the applicable percentage ratios is greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the transaction contemplated under the Shareholders Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"Company"	Carrianna Group Holdings Company Limited (佳寧娜集團控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 00126)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the directors of the Company
"Fine Star"	Fine Star Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability
"Goldfield"	Goldfield Properties Limited, a company incorporated under the laws of Hong Kong with limited liability
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Parties"	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mega Success"	Mega Success Limited, a company incorporated under the laws of Hong Kong with limited liability
"Properties"	properties located at Nos. 300-306 Castle Peak Road, Kowloon, Hong Kong to be developed by Mega Success, which comprise residential units and street-level shops
"Property Development Project"	the redevelopment, marketing and sale of the Properties
"Share(s)"	ordinary share(s) of Mega Success
"Shareholder(s)"	registered owner(s) of the Share(s)
"Shareholders Agreement"	the shareholders agreement in relation to Mega Success dated 24 May 2019 and entered into by Goldfield, Fine Star and Mega Success
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"%"	per cent

For and on behalf of the Board
Carrianna Group Holdings Company Limited
Dr. Ma Kai Yum
Chairman

Hong Kong, 24 May 2019

As at the date of this announcement, the Board comprises Dr. Ma Kai Cheung (Honorary Chairman and non-executive Director); Dr. Ma Kai Yum (Chairman), Mr. Leung Pak Yan, Mr. Ng Yan Kwong, Mr. Ma Hung Ming, John and Mr. Ng Sze Ping as executive Directors; and Mr. Lo Ming Chi, Charles, Mr. Lo Man Kit, Sam and Mr. Wong See King as independent non-executive Directors.