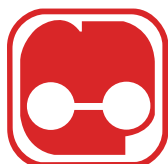


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佳寧娜集團控股有限公司

CARRIANNA GROUP HOLDINGS COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00126)

DISCLOSEABLE TRANSACTION – DISPOSAL OF PROPERTY

The Board announces that on 6 December 2019 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) and the Purchaser entered into the Transfer Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire (i) the Land for a cash consideration of RMB100,344,000 (equivalent to approximately HK\$111,381,840), and (ii) the Construction-In-Progress for a cash consideration of RMB60,000,000 (equivalent to approximately HK\$66,600,000).

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 Transfer 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.

The Board is pleased to announce that on 6 December 2019 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) entered into the Transfer Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the Consideration.

TRANSFER AGREEMENT

The principal terms of the Transfer Agreement are set out below.

Date

6 December 2019 (after trading hours)

Parties

- (1) The Vendor; and
- (2) The Purchaser.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Property

The Property, being the land under construction with a total land area of approximately 83,618 square metres being the parcel of land numbered "H" situate at Lingang Industrial Area, Economic and Technological Development Zone of Lianyungang* (連雲港經濟技術開發區臨港產業區H地塊) together with the construction in progress situate on the Land with an expected total floor area of approximately 200,677 square metres, more particularly known as 華東國際新城•東苑.

Transfer of rights

Upon completing the registration of transfer of the land use right to the Land and the Construction-In-Progress, which shall comprise the construction land planning permit (建設用地規劃許可證), construction project planning permit (建設工程規劃許可證), building construction permit (建築工程施工許可證), commercial property pre-sale permit (商品房預售許可證) and subject to the Purchaser having paid the third payment as described in the paragraph headed "Consideration and Payment Schedule" below, the Purchaser shall have the land use right to the Land and the construction right, development right, etc. attached to the Land.

The Parties shall discuss with the contractor and supervisor of the Construction-In-Progress within 3 Business Days of execution of the Transfer Agreement to work out the plan for transferring the rights and obligations under the construction agreements and construction supervisory agreement. All rights and obligations of the Vendor under the construction agreements, supervisory agreements and other relevant contracts entered into by the Vendor with contractors and construction supervisor shall be assumed by the Purchaser with effect from the date of the Transfer Agreement.

Consideration and Payment Schedule

The Consideration shall be settled in four stages:

- (i) an initial payment of RMB60,344,000 (equivalent to approximately HK\$66,981,840) shall be paid to the Vendor on the date of execution of the Transfer Agreement;
- (ii) the second payment of RMB20,000,000 (equivalent to approximately HK\$22,200,000) shall be paid to the Vendor within 14 days after execution of the Transfer Agreement;
- (iii) the third payment of RMB60,000,000 (equivalent to approximately HK\$66,600,000) shall be paid to the Vendor within 7 days of completing the registration of the transfer of the land use right of the Land and all applicable ownership rights of the Construction-In-Progress; and
- (iv) the remainder of RMB20,000,000 (equivalent to approximately HK\$22,200,000) shall be paid to the Vendor no later than 30 September 2020.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms and with reference to the prevailing property market price in Lianyungang.

Completion

The Parties shall procure the registration of the change in ownership in the Land and the Construction-In-Progress upon execution of the Transfer Agreement. Completion shall be deemed to have taken place upon (i) the Vendor having performed all of its obligations under the Transfer Agreement, including but not limited to completing the registration of the transfer of the Land and the Construction-In-Progress and (ii) the Purchaser having paid the third payment within the time frame as set out in the Transfer Agreement.

Option to invest

The Parties agreed that for a period of 2 years after the execution of the Transfer Agreement, the Vendor shall have the right to make a capital injection of a maximum of RMB10,000,000 (equivalent to approximately HK\$11,100,000) to the Purchaser in return for a maximum of 20% of the equity interests in the Purchaser on a fully diluted basis.

Termination

The Transfer Agreement shall be terminated upon the Parties having fully performed their obligations thereunder.

INFORMATION ON THE GROUP

The Group principally engages in investment holdings, property investment and development, and the operation of hotel, restaurant and food businesses in Hong Kong and Mainland China. The Vendor is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company engaging in property development, property investment and property management. The ultimate beneficial owners of the Purchaser are 3 businessmen in Lianyungang, Jiangsu Province, PRC, namely Mr. Wang Jian, Mr. Chen Chao and Ms. Tian Yinghong, holding 40%, 40% and 20% of the equity interest in the Purchaser, respectively. To the best of the Director's knowledge, information and belief, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR THE DISPOSAL

Notwithstanding that it has been the aim of the Group to engage in property development and investment and at the same time expanding its property business in the Guangdong-Hong Kong-Macao Greater Bay Area, the Directors believe that the Consideration offered by the Purchaser was very attractive and the Disposal represents a good opportunity for the Group to realise the value of the Property and that the proceeds from the Disposal will increase the cash resources of the Group, allowing the Group to redeploy and relocate its resources to other investment opportunities which the Directors believe may bring better and more attractive returns. The Directors consider that the Disposal is on normal commercial terms, and that the terms of the Transfer Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

It is expected that the Group will record a gain of approximately HK\$67,700,000 as a result of the Disposal which represents net proceeds from the Disposal less the cost of the Property, relevant taxes and incidental expenses.

The net proceeds from the Disposal will be approximately RMB160,144,000 (equivalent to approximately HK\$177,759,840) which are intended to be used by the Company (i) to fund new investments and acquisitions in future as and when suitable opportunities arise; (ii) as capital injection through the Vendor in the Purchaser in exchange for 20% equity interests in the Purchaser on a fully diluted basis if the Company intends to exercise its rights under the Transfer Agreement; and (iii) for general working capital of the Group.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Transfer Agreement are on normal commercial terms, which are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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 Transfer 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 have the meanings set out below unless the context requires otherwise:

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|----------------------------|---|
| “Board” | the board of Directors |
| “Business Day(s)” | means a day on which banks in the PRC are open for general business, excluding Saturdays, Sundays and PRC statutory holidays |
| “Company” | Carrianna Group Holdings Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:126) |
| “Consideration” | the total consideration payable by the Purchaser for the acquisition of the Land and the Construction-In-Progress, being the aggregate amount of RMB160,344,000 (equivalent to approximately HK\$177,981,840) |
| “Construction-In-Progress” | the buildings under construction situate on the Land with an expected total floor area of approximately 200,677 square metres, more particularly known as 華東國際新城 • 東苑 |
| “Directors” | the director(s) of the Company |
| “Disposal” | the sale of the Property |
| “Group” | the Company and its subsidiaries from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | any individual or company and their respective ultimate beneficial owner(s), who or which is independent of and not connected with the Company and the connected persons of the Company within the meaning of the Listing Rules |
| “Land” | the land under construction with a total land area of approximately 83,618 square metres being the parcel of land numbered “H” situate at Lingang Industrial Area, Economic and Technological Development Zone of Lianyungang* (連雲港經濟技術開發區臨港產業區 H 地塊) together the land use right attached thereto owned by the Vendor |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Parties” | the parties to the Transfer Agreement, namely the Vendor and the Purchaser |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan |
| “Property” | the Land and the Construction-In-Progress |
| “Purchaser” | 連雲港振盛置業有限公司, a company established under the laws of the PRC, an Independent Third Party |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) with par value of HK\$0.1 each in the issued share capital of the Company |

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|----------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transfer Agreement” | the agreement dated 6 December 2019 made among the Parties in respect of the Disposal |
| “Vendor” | 華東國際時尚物料城開發(連雲港)有限公司, a company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company |

By order of the Board
Carrianna Group Holdings Company Limited
Ma Kai Yum
Chairman

Hong Kong, 6 December 2019

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

* *For identification purposes only*