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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
PLACING OF CONVERTIBLE BONDS  
UNDER GENERAL MANDATE**

Reference is made to the announcement of the Company dated 21 June 2021 in relation to the placing of convertible bonds under general mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings given to them in the Announcement.

As disclosed in the Announcement, the initial Convertible Price of HK\$0.6 per Conversion Share is subject to adjustments upon the happening of prescribed events. The Company wishes to provide further information in relation to the adjustment mechanisms as follows.

The Conversion Price will be subject to adjustment in the following events:

(a) Consolidation, subdivision or reclassification of Shares

If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

**A** is the nominal amount of one Share immediately after such alteration; and

**B** is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves or share premium account issued (except any scrip dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

**A** is the nominal amount of the issued Shares immediately before such issue; and

**B** is the nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefore, immediately after such record date.

- (c) In the case of an issue of Shares by way of a scrip dividend where the current market price of such Shares exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{B+C}$$

Where:

- A** is the aggregate nominal amount of the issued Shares immediately before such issue;
- B** is the aggregate nominal amount of Shares issued by way of such scrip dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the relevant cash dividend and (ii) the denominator is the current market price of the Shares issued by way of scrip dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the relevant cash dividend; and
- C** is the aggregate nominal amount of Shares issued by way of such scrip dividend;

or by making such other adjustment as an independent investment bank of international repute (acting as an expert) shall certify to the Bondholder is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefore, immediately after such record date.

(d) Capital distribution

If and whenever the Company shall pay or make any capital distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under paragraph (b) above), the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such capital distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

- A** is the current market price of one Share on the date on which the capital distribution is publicly announced; and
- B** is the fair market value on the date of such announcement of the portion of the capital distribution attributable to one Share.

Such adjustment shall become effective on the date that such capital distribution is actually made or if a record date is fixed therefore, immediately after such record date.

In making any calculation under this paragraph, such adjustments (if any) shall be made as an independent investment bank of international repute (acting as an expert) may consider appropriate to reflect (i) any consolidation or subdivision of the Shares, (ii) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (iii) the modification of any rights to dividends of Shares or (iv) any change in the fiscal year of the Company.

(e) Rights issues of Shares or options over Shares

If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than the current market price per Share on the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A** is the number of Shares in issue immediately before such announcement;
- B** is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price per Share; and
- C** is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(f) Rights issue of other securities

If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

Where:

- A** is the current market price of one Share on the date on which such issue or grant is publicly announced; and
- B** is the fair market value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(g) Issues at less than initial Conversion Price

If and whenever the Company shall issue (otherwise than as mentioned in paragraph (e) above) any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant (otherwise than as mentioned in paragraph (e) above) of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares in each case at a price per Share which is less than the Conversion Price (the “**Reduced Price**”), the Conversion Price shall be adjusted to the Reduced Price.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

(h) Other issues at less than initial Conversion Price

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph and if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in paragraphs (e), (f) or (g)), or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity shall issue any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at the Reduced Price, subject to the conditions as set out in the instrument constituting the Convertible Bonds, the Conversion Price shall be adjusted to the Reduced Price. Such adjustment shall become effective on the date of issue of such securities.

(i) Modification of the rights of conversion, exchange or subscription

If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (h) above (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the current market price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

**A** is the number of Shares in issue immediately before such modification;

**B** is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

**C** is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an independent investment bank of international repute (acting as an expert), consider appropriate (if at all) for any previous adjustment under paragraph (h) or this paragraph (i).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(j) Other offers to Shareholders

If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other person issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraph (e), (f), (g) or (h)), the Conversion Price shall be adjusted by multiplying the conversion price in force immediately before such issue by the following fraction:

$$\frac{A-B}{A}$$

Where:

**A** is the current market price of one Share on the date on which such issue is publicly announced; and

**B** is the fair market value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

(k) Other events

If the Company or the Bondholder determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in these paragraphs, the Company or the Bondholder shall, at its own expense, consult an independent investment bank of international repute (acting as an expert), to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the independent investment bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to these paragraphs have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of these paragraphs as may be advised by the independent investment bank to be in their opinion appropriate to give the intended result.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an independent investment bank of international repute (acting as an expert), the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such independent investment bank to be in their opinion appropriate in order to give such intended result.

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including the Directors) of the Company or any of its subsidiaries pursuant to the Share Option Scheme (and which the Share Option Scheme is in compliance with the Listing Rules).

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in paragraph above or where there has been a proven manifest error in the calculation of the Conversion Price.

The purpose of each of the adjustment mechanisms is to offset the effects of the related adjustment events so to reflect the commercial terms as agreed between the Company and the Bondholders which were arrived at after arm's length negotiation with reference to the current prevailing market conditions. Each of the adjustment mechanisms is designed to ensure that the Bondholders do not suffer any dilution effects as a result of the happening of the adjustment events but do not otherwise confer upon them additional rights or benefits which would disadvantage the Shareholders. The Directors believe that given (a) the CB Placing which was negotiated based upon prevailing market conditions, would be in the interests of Company and the Shareholders and (b) the Bondholders do not enjoy additional rights or benefits pursuant to or as a result of the adjustments, the adjustment mechanisms of the Convertible Bonds are fair and reasonable.

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

Hong Kong, 25 June 2021

*As at the date of this announcement, the Board comprises Mr. Ma Kai Cheung (Honorary Chairman), Mr. Ma Kai Yum (Chairman), Mr. Ma Hung Ming, John (Vice-chairman), Mr. Liang Rui and Mr. Chan Francis Ping Kuen as executive Directors; and Mr. Lo Ming Chi, Charles, Mr. Lo Man Kit, Sam and Mr. Wong See King as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*