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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 IN RELATION TO
THE ENTERING INTO OF COOPERATION AGREEMENT**

COOPERATION AGREEMENT

On 11 November 2021 (after trading hours of the Stock Exchange), the Subsidiary, being an indirect wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with Mr. Zheng, Yuhe Tiancheng, Sengang Investment and Mr. Huang in relation to the cooperation in the Property Development Project involving, among others, the provision of the Funding in the amount of up to RMB120,000,000 (equivalent to approximately HK\$146,400,000).

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of Cooperation Agreement exceed 5% but are less than 25%, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

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

Date: 11 November 2021

Parties:

- (i) Mr. Zheng;
- (ii) the Subsidiary;
- (iii) Yuhe Tiancheng;
- (iv) Sengang Investment; and
- (v) Mr. Huang

Based on the information provided by Mr. Zheng, Yuhe Tiancheng is principally engaged in property development. Based on the information provided by Mr. Huang, Sengang Investment is principally engaged in property investment and development.

Yuhe Tiancheng is wholly owned by Mr. Zheng, Sengang Investment is owned as to 10% by Mr. Huang as to 50% by Mr. Huang Zihao and as to 40% by Ms. Zhang Li. Mr. Huang is the legal representative of Sengang Investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Zheng, Yuhe Tiancheng, Sengang Investment, Mr. Huang, Ms. Zhang Li and Mr. Huang Zihao are Independent Third Parties.

**Property Development
Project:**

Pursuant to the Cooperation Agreement, Yuhe Tiancheng and Sengang Investment shall jointly participate in the bidding of the land (the "**Land**") located at the southwest of the junction of Shenshan Avenue and Bianxi River, Ebu Area, Shenshan Special Cooperation Zone, the PRC, with site area of approximately 15,290 square metres and Yuhe Tiancheng shall undertake a property development project (the "**Property Development Project**") on the Land. The Land is for commercial use with a plot ratio of not more than 3.0. The maximum gross floor area based on the plot ratio of the Land is approximately 45,870 square metres. If Yuhe Tiancheng and Sengang Investment succeed in the bidding of the Land, the interest in the Land shall be owned as to 93% by Yuhe Tiancheng and as to 7% by Sengang Investment.

Cooperation:

Pursuant to the Cooperation Agreement, (i) Yuhe Tiancheng shall be responsible for the development of the Property Development Project; (ii) Sengang Investment shall be entitled to share properties of 3,360 square metres of the Property Development Project ("**7% Project Interest**"); (iii) the Subsidiary shall provide funding (the "**Funding**") of up to RMB120,000,000 (equivalent to approximately HK\$146,400,000) for paying the land transferring fee for the Land; and (iv) Mr. Zheng shall be responsible for all other development costs of the Property Development Project and the shortfall of the land transferring fee for the Land (if any).

The Funding will be provided based on the payment schedule for the land transferring fee for the Land. Upon receipt of the notice by Mr. Zheng, the relevant amount of the Funding shall be deposited by the Subsidiary within ten business days into the account of the Yuhe Tiancheng.

The provision of the Funding shall be for a term of two (2) years commencing from the date on which Yuhe Tiancheng and Sengang Investment succeed in the bid of the Land.

Mr. Zheng and Yuhe Tiancheng undertake that the construction of the Property Development Project shall be completed and pre-sale shall take place within two (2) years commencing from the date on which Yuhe Tiancheng and Sengang Investment succeed in the bid of the Land, and not less than 40% of the cash proceeds from the pre-sale of the Property Development Project shall be utilised to repay the Funding to the Subsidiary until the Funding is fully repaid.

If Mr. Zheng fails to repay any of the Funding and the interest accrued thereon (the “**Outstanding Amount**”) in accordance with the terms of the Cooperation Agreement, Mr. Zheng shall pay a daily compensation in the amount equal to 0.05% of the Outstanding Amount.

Interest and Designated Properties:

Mr. Zheng and Yuhe Tiancheng undertake that the Funding shall carry interest at 1.2% per month which is payable quarterly, which is arrived at after arm’s length negotiations between Mr. Zheng and the Subsidiary having considered the current market condition.

Mr. Zheng and Yuhe Tiancheng undertake that upon completion of the construction and the obtaining of the pre-sale permit of the Property Development Project, Mr. Zheng shall transfer to the Subsidiary at no cost apartment type offices of 3,800 square metres (the “**Designated Properties**”). The Subsidiary may opt to engage Mr. Zheng to sell the Designated Properties at the then prevailing market price and transfer the sale proceeds to the Subsidiary’s designated bank account. The location of the Designated Properties shall be determined by lot drawing from the fourth floor to the twelfth floor of the office buildings.

Save for the repayment of the Funding and the interest accrued thereon, and the Designated Properties, the Subsidiary is not entitled to the rights, properties and interest of the Property Development Project. The repayment of the Funding and the interest accrued thereon, and the Designated Properties shall be derived from the interest in the Property Development Project owned by Yuhe Tiancheng and shall not affect the 7% Project Interest in the Property Development Project owned by Sengang Investment.

Performance Security:

Each of Mr. Zheng and the Subsidiary shall deposit RMB5,000,000 into a jointly controlled bank account within seven days from the date of the Cooperation Agreement as performance security and liquidated damages to the other party in case of breach of contract for the period between the date of the Cooperation Agreement and the date of winning the bid of the Land, which shall be returned to Mr. Zheng and the Subsidiary if Yuhe Tiancheng and Sengang Investment win the bid of the Land or the Cooperation Agreement ceases to be effective in case of no prior breach.

Security and Guarantee:

Mr. Zheng agrees that 100% equity interest in Yuhe Tiancheng will be pledged in favour of the Subsidiary as security for the repayment of the Funding, the interest accrued thereon, the Designated Properties interest and the payment of default payment and enforcement costs under the Cooperation Agreement.

Mr. Zheng, Yuhe Tiancheng, Sengang Investment and Mr. Huang agree that 100% interest in the Land will be charged in favour of the Subsidiary as security for the repayment of the Funding, the interest accrued thereon, the Designated Properties interest and the payment of default payment and enforcement costs under the Cooperation Agreement within two business days from the date on which Yuhe Tiancheng and Sengang Investment obtained the land certificate of the Land.

Mr. Zheng guarantees the performance of the obligations of Yuhe Tiancheng under the Cooperation Agreement.

Specific Undertaking:

Mr. Zheng undertakes to use his best endeavours to procure the completion of the bidding of the Land within three months after the date of the Cooperation Agreement, failing which the Subsidiary shall have right to choose either (i) to continue to perform the Cooperation Agreement; or (ii) to terminate the Cooperation Agreement. It is expected that the bidding process will begin and complete within three months after the date of the Cooperation Agreement but the timetable for the bidding of the Land has yet to be announced by the relevant government authority.

Mr. Zheng undertakes to actively participate in the bidding of the Land. If due to a force majeure event, the auction of the Land fails or Mr. Zheng decided not to participate in the bidding of the Land, Yuhe Tiancheng and Sengang Investment shall return the relevant amount of the Funding paid and the interest accrued thereon at the rate of 1.2% per month (which the interest shall be borne by Mr. Zheng and Yuhe Tiancheng) to the Subsidiary within five business days after receipt of the bidding deposit returned by the government and none of the parties to the Cooperation Agreement shall have any other liabilities.

Mr. Zheng undertakes that (i) the construction of the Property Development Project shall commence within one year from the date on which Yuhe Tiancheng and Sengang Investment succeed in the bid of the Land; and (ii) the pre-sale permit for the Property Development Project shall be obtained and the Funding shall be repaid within two years from the date on which Yuhe Tiancheng and Sengang Investment succeed in the bid of the Land, failure which (a) Mr. Zheng and Yuhe Tiancheng shall unconditionally transfer the development, construction and operation right of and all the existing assets under the Property Development Project owned by Mr. Zheng and Yuhe Tiancheng to the Subsidiary; and (b) Mr. Zheng shall unconditionally transfer 100% equity interest in Yuhe Tiancheng to the Subsidiary or its designed party and Mr. Zheng and Yuhe Tiancheng shall have no claim for the development costs incurred.

Mr. Zheng undertakes that if the Funding and the interest accrued thereon are not repaid in full within two (2) years from the date on which Yuhe Tiancheng and Sengang Investment succeed in the bid of the Land, the Subsidiary shall have right to dispose of or otherwise deal with the assets under the Property Development Project owned by Mr. Zheng and Yuhe Tiancheng without liability.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE COOPERATION AGREEMENT

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

Having considered (i) the stable revenue and cashflow to be streamed from the interest income to be generated on the Funding at the rate of 1.2% per month; (ii) the Designated Properties to be transferred to the Subsidiary at no additional costs; (iii) the security provided under the Cooperation Agreement; (iv) the future prospects of the Property Development Project; and (v) the terms of the Cooperation Agreement are arrived at among the Subsidiary, Mr. Zheng, Yuhe Tiancheng, Sengang Investment and Mr. Huang after arm's length negotiations, the Board considers that the entering into of the Cooperation Agreement and the provision of the Funding represents a good investment opportunity to the Group.

Having considered the aforementioned factors, the Board is of the view that the entering into of the Cooperation Agreement and the provision of the Funding, are on normal commercial terms and the terms of the Cooperation Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

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DEFINITIONS

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

“Board”	the board of Directors
“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: 126)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Cooperation Agreement”	the project cooperation agreement dated 11 November 2021 and entered into among the Subsidiary, Mr. Zheng, Yuhe Tiancheng, Sengang Investment and Mr. Huang in relation to the cooperation in the Property Development Project
“Designated Properties”	has the meaning ascribed thereto under the paragraph headed “Interest and Designated Properties” in the section headed “Cooperation Agreement” of this announcement
“Director(s)”	director(s) of the Company
“Funding”	has the meaning ascribed thereto under the paragraph headed “Cooperation” in the section headed “Cooperation Agreement” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons

“Land”	has the meaning ascribed thereto under the paragraph headed “Property Development Project” in the section headed “Cooperation Agreement” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Jian (黃鍵)
“Mr. Zheng”	Mr. Zheng Junjia (鄭俊嘉)
“Outstanding Amount”	has the meaning ascribed thereto under the paragraph headed “Cooperation” in the section headed “Cooperation Agreement” of this announcement
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the Peoples’ Republic of China and Taiwan
“Property Development Project”	has the meaning ascribed thereto under the paragraph headed “Property Development Project” in the section headed “Cooperation Agreement” of this announcement
“Sengang Investment”	廣東深汕森鋼投資發展有限公司 (Guangdong Shenshan Sengang Investment Development Company Limited#), a company established in the PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company and each a “Share”
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary”	佳寧娜(深圳)商業有限公司 (Carrianna (Shenzhen) Business Company Limited [#]), an indirect wholly-owned subsidiary of the Company
“Yuhe Tiancheng”	深圳市深汕特別合作區御河天成實業有限公司 (Shenzhen Shi Shenshan Special Cooperation Zone Yuhe Tiancheng Industrial Company Limited [#]), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 11 November 2021

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.00 to HK\$1.22. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words

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. Wong See King and Mr. Cheung Wah Fung Christopher as independent non-executive Directors.