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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)**

## **PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

On 25 July 2023 (after trading hours), the Company entered into the conditional Subscription Agreements with the respective Subscribers, pursuant to which each of the Subscribers has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds in the aggregate principal amount of HK\$75,425,251.80 (as to HK\$30,000,000, HK\$8,000,000 and HK\$37,425,251.80 to Subscriber A, Subscriber B and Subscriber C, respectively).

On the assumption that the Convertible Bonds would be converted into Conversion Shares in full at the initial Conversion Price of HK\$0.6, 125,708,753 Conversion Shares will be issued, representing (i) approximately 8.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.40% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

The aggregate subscription amounts of HK\$75,425,251.80 for the Convertible Bonds will be set off by the aggregate outstanding principal amount of the 2021 Convertible Bonds held by the relevant Subscribers respectively which fell due on 18 July 2023.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

**Completion of the Subscription are subject to the fulfillment of the conditions precedent as set out in this announcement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **BACKGROUND OF THE 2021 CONVERTIBLE BONDS**

As at the date of this announcement and immediately before the entering into of the Subscription Agreements, the aggregate outstanding principal amount of the 2021 Convertible Bonds is HK\$75,425,251.80, of which (i) Subscriber A holds the 2021 Convertible Bonds in the outstanding principal amount of HK\$30,000,000; (ii) Subscriber B holds the 2021 Convertible Bonds in the outstanding principal amount of HK\$8,000,000; and (iii) Subscriber C holds the 2021 Convertible Bonds in the outstanding principal amount of HK\$37,425,251.80, which fell due on 18 July 2023.

## **THE SUBSCRIPTION AGREEMENTS**

The Board is pleased to announce that on 25 July 2023 (after trading hours), the Company entered into the Subscription Agreements with each of the respective Subscribers, pursuant to which the Company conditionally agreed to issue and each of the respective Subscribers conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$75,425,251.80 (as to HK\$30,000,000, HK\$8,000,000 and HK\$37,425,251.80 to Subscriber A, Subscriber B and Subscriber C, respectively). The aggregate subscription amounts of HK\$75,425,251.80 for the Convertible Bonds will be set off by the aggregate outstanding principal amount of the 2021 Convertible Bonds held by the relevant Subscribers respectively at Completion. As at the date of this announcement, the aggregate outstanding principal amount of the 2021 Convertible Bonds held by the Subscribers is HK\$75,425,251.80.

## **The Subscription Agreements**

Set out below are the principal terms of the Subscription Agreements:

Date : 25 July 2023 (after trading hours)

Parties : (i) the Company as issuer; and  
(ii) Subscriber A, Subscriber B and Subscriber C as the Subscribers

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Subscriber A, Subscriber B and Subscriber C are Independent Third Parties. As at the date of this announcement, the Subscribers do not have any shareholding in the Company.

Subject to fulfilment of the conditions precedent to the Subscription Agreements below, each of the Subscribers shall subscribe for the Convertible Bonds in the aggregate principal amount of HK\$75,425,251.80 (as to HK\$30,000,000, HK\$8,000,000 and HK\$37,425,251.80 to Subscriber A, Subscriber B and Subscriber C, respectively) under the respective Subscription Agreements. The aggregate subscription amounts of HK\$75,425,251.80 for the Convertible Bonds will be set off by the aggregate outstanding principal amount of the 2021 Convertible Bonds held by the relevant Subscribers respectively at Completion.

Save for the identity of the Subscribers and the amount of the Convertible Bonds to be subscribed, the substantial part of the salient terms of each of the Subscription Agreements are identical.

## **Conditions of the Subscription Agreements**

The Subscription is conditional upon:

- (i) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreements and the transactions contemplated thereunder having been obtained;

- (ii) all necessary consents and approvals required to be obtained on the part of each of the relevant Subscribers in respect of the Subscription Agreements and the transactions contemplated thereunder having been obtained;
- (iii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds;
- (iv) none of the warranties given by the Company thereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (v) none of the warranties given by each of the Subscribers thereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

In the event that the conditions of the Subscription are not fulfilled, or as the case may be, waived on or before 31 August 2023 or such other date as may be agreed between the parties to the Subscription Agreements, the Subscription Agreements shall cease and terminate and neither the Company nor the Subscribers shall have any obligations and liabilities under the Subscription Agreements. For the avoidance of doubt, the Subscription Agreements are not inter-conditional upon each other.

### **Completion**

Subject to the fulfilment, or as the case may be, the waiver of the conditions of the Subscription Agreements, Completion shall take place within three (3) Business Days after fulfillment of all the conditions precedent set out above (or such later date as the Company and the respective Subscriber may agree). Upon Completion, the aggregate outstanding principal amount of the 2021 Convertible Bonds held by each of the respective Subscribers will be set-off against the aggregate subscription amounts of HK\$75,425,251.80 for the Convertible Bonds in full, and the obligation and liability of the Company to each of the respective Subscribers under the 2021 Convertible Bonds will be extinguished.

Pursuant to the Subscription Agreements, the Subscribers irrevocably and unconditionally undertake to the Company that they shall not make any claims and/or commence any legal proceedings against the Company arising from, in connection with or incidental to the 2021 Convertible Bonds during the period commencing from the date of the Subscription Agreements unless the Subscription Agreements shall cease and determine under the Subscription Agreements or be terminated by the parties thereto (as the case may be).

### **Principal terms of the Convertible Bonds**

Issuer	:	The Company
Aggregate principal amount	:	HK\$75,425,251.80
Number of Conversion Shares	:	Based on the initial Conversion Price of HK\$0.6 per Conversion Share and assuming that there will not be any change in the issued share capital of the Company before the exercise of the conversion rights in full (other than the issue of the Conversion Shares), upon the exercise of the conversion rights in full, 125,708,753 Conversion Shares will be issued, representing approximately 8.00% of the existing issued share capital of the Company and approximately 7.40% of the issued share capital as enlarged by the allotment and issue of the Conversion Shares.
Maturity Date:	:	The date falling on the first anniversary of the relevant date of issue of the Convertible Bonds, and if that is not a Business Day, the first Business Day after.
Conversion Price	:	The initial Conversion Price is HK\$0.6 per Conversion Share, subject to adjustment upon the happening of prescribed events.
Conversion period	:	The conversion rights attaching to the Convertible Bonds may be exercised at any time from (and including) the date falling six months after the date of issue of the Convertible Bonds up to the Maturity Date.

- Status : The Convertible Bonds constitute direct, unsecured, unsubordinated and unconditional obligations of the Company. The Convertible Bonds will at all times rank *pari passu* without any preference among themselves.
- Form : The Convertible Bonds will be issued upon Completion in registered form.
- Interest : The Convertible Bonds bear interest from and including the date of issue of the Convertible Bonds to and including the Maturity Date of the Convertible Bonds at the rate of 6% per annum payable every six months from the date of issue of the Convertible Bonds, in arrears. When interest is required to be calculated in respect of a period of less than the full six months, it is calculated on the actual number of days elapsed and a 365-day year.
- Rights of the Conversion Shares : The Conversion Shares that are to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds will be credited as fully paid and will rank *pari passu* in all respects with and within the same class as the Shares in issue on the conversion date of the Convertible Bonds.
- Transferability : The Convertible Bonds are transferable, provided that the transfer is in compliance with the Listing Rules and no transfer shall be made to any person who is not an Independent Third Party without the prior written consent of the Company.
- Rights of Bondholders : The redemption price payable by the Company to the Bondholder is equal to the aggregate of (i) any outstanding principal amount of the Convertible Bonds, (ii) outstanding interest and (iii) any other outstanding amount due but unpaid under the Convertible Bonds (the “**Applicable Redemption Amount**”).

Redemption on the Maturity Date	:	The Company will redeem all of the Convertible Bonds on the Maturity Date, unless previously redeemed, converted, purchased or cancelled at the Applicable Redemption Amount calculated from the date of issue of the Convertible Bonds to (and including) the Maturity Date.
Bondholder's redemption right for events of default	:	The Company shall redeem all or such part of the outstanding principal amount of the Convertible Bonds upon the issuance of a notice of redemption by the Bondholder after occurrence of an event of default at the Applicable Redemption Amount calculated from the date of issue of the Convertible Bonds to (and including) the actual date of payment.

On the assumption that the Convertible Bonds would be converted into Conversion Shares in full at the initial Conversion Price of HK\$0.6, 125,708,753 Conversion Shares will be issued, representing (i) approximately 8.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.40% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

### **Conversion Price**

The initial Conversion Price of HK\$0.6 per Conversion Share represents:

- (i) a premium of approximately 51.90% over the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 25 July 2023, being the date of the Subscription Agreements; and
- (ii) a premium of approximately 53.45% over the average closing prices of HK\$0.391 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreements.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscribers, taking into account of, among others, the recent trading performance of the Shares. The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreements as well as the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Adjustment to the Conversion Price

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:

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

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.

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 adopted by the Company on 24 August 2015 (and which such 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 (a) above or where there has been a proven manifest error in the calculation of the Conversion Price.

### **General Mandate to issue the Conversion Shares**

Pursuant to the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 26 August 2022, the Directors may exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding 314,271,884 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting. As at the date of this announcement, the General Mandate has yet been utilised. Accordingly, the Subscription Agreements and the transactions contemplated thereunder including the issuance and allotment of Conversion Shares under the General Mandate are not subject to the Shareholders' approval.

### **Application for listing**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon full conversion of the Convertible Bonds at the initial Conversion Price (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Bonds) are as follows:

	(i) As at the date of this announcement		(ii) Immediately upon full conversion of the Convertible Bonds at the initial Conversion Price	
	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>
Mr. Ma Kai Cheung ("Mr. KC Ma")	298,569,609	19.00	298,569,609	17.59
Regent World Investments Limited ("Regent World") (Note 1)	184,121,625	11.72	184,121,625	10.85
Bond Well Investments Limited ("Bond Well") (Note 1)	75,007,400	4.77	75,007,400	4.42
Ms. Cheung Lin Kiu ("Ms. Cheung") (Note 2)	7,050,000	0.45	7,050,000	0.42
Mr. Ma Kai Yum ("Mr. KY Ma")	141,974,337	9.04	141,974,337	8.37
Grand Wealth Investments Limited ("Grand Wealth") (Note 3)	74,651,040	4.75	74,651,040	4.40
Peaceful World Limited ("Peaceful World") (Note 3)	19,050,000	1.21	19,050,000	1.12

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately upon full conversion of the Convertible Bonds at the initial Conversion Price</b>	
	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>
Real Potential Limited (“ <b>Real Potential</b> ”) (Note 4)	7,500,000	0.48	7,500,000	0.44
Ms. Kwok Kit Mei (“ <b>Ms. Kwok</b> ”) (Note 5)	3,200,000	0.20	3,200,000	0.19
Mr. Ma Hung Ming, John (“ <b>Mr. John Ma</b> ”)	<u>476,000</u>	<u>0.03</u>	<u>476,000</u>	<u>0.03</u>
Mr. KC Ma and Mr. KY Ma and parties acting in concert with them	811,600,011	51.65	811,600,011	47.83
Rainbow Choice Holding Group Limited (“ <b>Rainbow  Choice</b> ”) (Note 6)	125,428,754	7.98	125,428,754	7.39
Subscriber A (Note 7)	–	–	50,000,000	2.94
Subscriber B (Note 7)	–	–	13,333,333	0.78
Subscriber C (Note 7)	–	–	62,375,419	3.68
Other public Shareholders	<u>634,330,655</u>	<u>40.37</u>	<u>634,330,655</u>	<u>37.38</u>
<b>Total</b>	<b><u>1,571,359,420</u></b>	<b><u>100.00</u></b>	<b><u>1,697,068,172</u></b>	<b><u>100.00</u></b>

*Notes:*

1. Mr. KC Ma and his family are the beneficiaries of a discretionary trust which effectively owns the entire issued share capital of Regent World and 70% of the entire issued share capital of Bond Well. As at the date of this announcement, Regent World owned 184,121,625 Shares and Bond Well owned 75,007,400 Shares.
2. Ms. Cheung is the spouse of Mr. KC Ma.
3. Mr. KY Ma and his family are the beneficiaries of a discretionary trust which effectively owns the entire issued share capital of Grand Wealth and Peaceful World. As at the date of this announcement, Grand Wealth owned 74,651,040 Shares and Peaceful World owned 19,050,000 Shares.
4. Peaceful World owns the entire issued share capital of Real Potential. As at the date of this announcement, Real Potential owned 7,500,000 Shares. The interests of Real Potential in the Company are therefore deemed to be the interests of Peaceful World in which Mr. KY Ma is also deemed to have interests for the reason as stated in note 3 above.
5. Ms. Kwok is the spouse of Mr. KY Ma.
6. On 9 October 2018, Rainbow Choice (a company wholly-owned by Ms. Chen Chu Zhen, being the spouse of Mr. Ng Sze Ping, an Independent Third Party) charged (i) 62,714,377 Shares in favour of Mr. KC Ma as security for a loan in the principal amount of RMB50 million provided by Mr. KC Ma to Mr. Ng Sze Ping, pursuant to a loan agreement dated 8 October 2018 (the “**RMB50 Million Loan A**”); and (ii) another 62,714,377 Shares in favour of Mr. KY Ma. as security for a loan in the principal amount of RMB50 million provided by Mr. KY Ma to Mr. Ng Sze Ping, pursuant to a loan agreement dated 8 October 2018 (the “**RMB50 million Loan B**”). Apart from the RMB50 Million Loan A and the RMB50 Million Loan B, the relevant share charges, custodian agreements and the personal guarantees given by Ms. Chen Chu Zhen in respect of the RMB50 Million Loan A and the RMB50 Million Loan B, there is no other relationship between Rainbow Choice, Ms. Chen Zhu Zhen, Mr. Ng Sze Ping, Mr. KC Ma and Mr. KY Ma.
7. Based on the aggregate principal amount of the Convertible Bonds of HK\$75,425,251.80 and held as to HK\$30,000,000, HK\$8,000,000 and HK\$37,425,251.80 by Subscriber A, Subscriber B and Subscriber C respectively, upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.6 per Conversion Share, 50,000,000 Conversion Shares, 13,333,333 Conversion Shares and 62,375,419 Conversion Shares will be allotted and issued to Subscriber A, Subscriber B and Subscriber C respectively. No fractions of Shares will be issued and no cash adjustments will be made in respect of the remaining outstanding principal amount of the Convertible Bonds of HK\$0.2 and HK\$0.4 owed to Subscriber B and Subscriber C respectively, pursuant to the terms and conditions of Convertible Bonds.

## **FUND RAISING DURING THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company. As at the date of this announcement, the Group is principally engaged in investment holding, property investment and development, and operations of hotel, restaurant and food businesses.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS AND USE OF PROCEEDS**

As at the date of this announcement, the aggregate outstanding principal amount of the 2021 Convertible Bonds held by the Subscribers is HK\$75,425,251.80 which fell due on 18 July 2023.

As disclosed in the annual results announcement of the Company for the year ended 31 March 2023, the Company has cash and bank balance in the amount of approximately HK\$287.7 million as at 31 March 2023. Given the above and the size of the aggregate outstanding principal amount of the 2021 Convertible Bonds of HK\$75,425,251.80 and the maturity date of the 2021 Convertible Bonds, the Company has sufficient financial resources to settle the amount due under the 2021 Convertible Bonds in full. In the circumstances, the Directors have considered various means to deal with the 2021 Convertible Bonds, including, among others, repayment and extension.

In light of the current market circumstances, the holders of the 2021 Convertible Bonds did not exercise the conversion rights attached to the 2021 Convertible Bonds taking into account the prevailing conversion price of the 2021 Convertible Bonds per Share is significantly higher than the current market price per Share.

As no immediate cash outflow will be incurred in the settlement of the aggregate outstanding principal amount of the 2021 Convertible Bonds through the Subscription, the Subscription will allow the Company to retain more working capital for its business development and operation and will provide more flexibility to the Company in its future cash management. Further, the conversion of the Convertible Bonds (if any) may also strengthen the capital base and reduce the liability of the Company, and thus improve the financial position of the Company.

Hence, the Directors consider that the terms and conditions of each of the respective Subscription Agreements and the Convertible Bonds are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

No net proceeds will be received by the Company from the issue of the Convertible Bonds. The aggregate outstanding principal amount of the 2021 Convertible Bonds of HK\$75,425,251.80 held by the Subscribers as at the date of this announcement will be settled through the issuance of the Convertible Bonds on the date of Completion to the Subscribers in their respective apportionments.

**Completion of the Subscription are subject to the fulfillment of the conditions precedent as set out in this announcement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **DEFINITIONS**

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

“2021 Convertible Bonds”	the convertible bonds due on 18 July 2023 issued by the Company on 15 July 2021 with coupon rate of 3% per annum and an aggregate outstanding principal amount of HK\$75,425,251.80 as at the date of this announcement
“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon

“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 on the Main Board of the Stock Exchange (Stock code: 126)
“Completion”	the completion of the Subscription under the Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the conversion price per Conversion Share (subject to adjustments) of the Convertible Bonds
“Conversion Share(s)”	the Shares to be issued and allotted upon conversion of the Convertible Bonds
“Convertible Bonds”	the 6% coupon convertible bonds due on the date falling on the first anniversary of its issue date in the aggregate principal amount of HK\$75,425,251.80 to be issued by the Company to each of the Subscribers in their respective apportionments in accordance with the terms of the respective Subscription Agreements
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling on the first anniversary of the issue date of the Convertible Bonds and if that is not a Business Day, the first Business Day after
“PRC”	the People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Ms. Chen Ying
“Subscriber B”	Ms. Lu Manxue

“Subscriber C”	Ms. Trantallis Karin
“Subscribers”	collectively, Subscriber A, Subscriber B and Subscriber C
“Subscription”	the subscription of the Convertible Bonds contemplated under the Subscription Agreements
“Subscription Agreement A”	the conditional subscription agreement dated 25 July 2023 and entered into between the Company as issuer and Subscriber A in relation to the subscription of the Convertible Bonds in the principal amount of HK\$30,000,000
“Subscription Agreement B”	the conditional subscription agreement dated 25 July 2023 and entered into between the Company as issuer and Subscriber B in relation to the subscription of the Convertible Bonds in the principal amount of HK\$8,000,000
“Subscription Agreement C”	the conditional subscription agreement dated 25 July 2023 and entered into between the Company as issuer and Subscriber C in relation to the subscription of the Convertible Bonds in the principal amount of HK\$37,425,251.80
“Subscription Agreements”	collectively, Subscription Agreement A, Subscription Agreement B and Subscription Agreement C
“%”	per cent.

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

Hong Kong, 25 July 2023

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