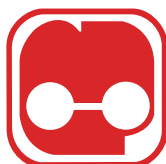


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**佳寧娜集團控股有限公司**  
**CARRIANNA GROUP HOLDINGS COMPANY LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00126)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF 60% OF THE ISSUED SHARE CAPITAL OF**  
**SLEEK TREASURE VENTURES LIMITED**

On 26 June 2014 after trading hours, the Share Transfer Agreement was entered into between the Purchaser, a wholly owned subsidiary of the Company, the Sellers, the Target Company and the Existing Shareholder pursuant to which the Sellers conditionally agreed to sell to the Purchaser, and the Purchaser conditionally agreed to purchase from the Sellers 60% of the issued share capital of the Target Company, which shall become the ultimate holding company of the Target Assets in relation to the chain restaurants with trade names “Delicious” (“味皇”), “Delicious Cafe” (“星級味皇”), “Delicious City” (“味集皇城”) and “Gustation Restaurant” (“嚙味”) upon completion of the Reorganization, at a consideration of HK\$30 million which will be settled by cash.

Subject to and in accordance with the terms and conditions of the Share Transfer Agreement, the Target Company shall become an indirect non-wholly owned subsidiary of the Company upon Completion.

As an applicable percentage ratio of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Company is pleased to announce that on 26 June 2014, the Share Transfer Agreement was entered into between the Purchaser, a wholly-owned subsidiary of the Company, the Sellers, the Target Company and the Existing Shareholder, pursuant to which the Sellers conditionally agreed to sell to the Purchaser and the Purchaser conditionally agreed to purchase from the Sellers the Sale Shares, being 60% of the issued share capital of the Target Company, at a consideration of HK\$30 million.

## **THE SHARE TRANSFER AGREEMENT**

### **Date**

26 June 2014 after trading hours

### **Parties**

- (1) Elite Brave Development Limited (as Purchaser)
- (2) Cheng Ka Wah  
Cheng Ka Yeung (as Sellers)
- (3) Sleek Treasure Ventures Limited (as Target Company)
- (4) Allied Ray Investment Holdings Limited (as Existing Shareholder)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Sellers, the Target Company and the Existing Shareholder and their respective ultimate beneficial owner(s) is an Independent Third Party.

### **Subject Matter**

60% of the issued share capital of the Target Company. Further information on the Target Company and the Target Assets is set out in the section headed “Information on the Target Group and the Target Assets” below. Upon Completion, the Target Company shall become an indirect non-wholly owned subsidiary of the Company.

## **Consideration**

The Consideration is HK\$30 million, which will be settled by cash in the following manner:

- (1) a deposit of HK\$3 million has been paid by the Purchaser and held on escrow by the Purchaser's solicitors upon signing of the Share Transfer Agreement, and
- (2) on the Completion Date, the balance of HK\$27 million shall be payable by the Purchaser to the Sellers and the deposit of HK\$3 million as mentioned in (1) above shall be released by the Purchaser's solicitors to the Sellers.

The Consideration is determined based on arm's length negotiations between the Purchaser and the Sellers after taking into account the fair value of the Target Assets.

The Consideration will be satisfied by way of internal resources of the Group.

## **Conditions precedent**

Completion is conditional upon satisfaction of the following conditions precedent, among others:

- (1) Completion of the transfer of Sale Shares by each Seller is inter-conditional on the completion of the transfer of Sale Shares by the other Seller;
- (2) Completion of the Reorganization to the satisfaction of the Purchaser and the due execution of all the Reorganization Documents;
- (3) The Purchaser being satisfied with the due diligence results on the Target Group (including but not limited to legal, financial and commercial due diligence);
- (4) The Purchaser having obtained the lease agreements for the two "Delicious" ("味皇") restaurants on Pak Tai Street and Tai Po Road, each duly executed by a Target Group Company with the respective landlord, for a term of five years and under which the aggregate monthly rentals for the above two restaurants for the first two years shall be HK\$210,000 and that for the third to fifth years shall be HK\$260,000, and the terms of the lease agreements being satisfactory to the Purchaser;

- (5) The Target Company or a Target Group Company having filed an application for the registration of the “Delicious” (“味皇”) trademark to the State Intellectual Property Office of the PRC;
- (6) The Target Company or a Target Group Company having filed an application for the registration of the “Delicious” (“味皇”) trademark to the Intellectual Property Department of Hong Kong;
- (7) A notice of transfer in respect of the transfer of the Target Assets having been published and completed in accordance with the Transfer of Business (Protection of Creditors) Ordinance (Chapter 49 of the Laws of Hong Kong);
- (8) The amount of cash held by the Target Group shall not be less than HK\$250,000, and the Target Group shall have no debt (including tax, operating or non-operating debts), save and except the shareholder loan owing to the Existing Shareholder which represents the consideration for the acquisition of Target Assets in respect of the Nathan Road “Delicious” (“味皇”) restaurant; and
- (9) All authorisations, registrations, filings, confirmations, permissions, consents, and approvals (including all internal approvals of the Target Company and third party approvals) necessary for the transactions contemplated under the Share Transfer Agreement having been obtained.

In the case that the above conditions cannot be fulfilled on or before 31 August 2014 (or such later date as agreed by the parties in writing), the Share Transfer Agreement shall be terminated.

## **Other Major Terms in the Share Transfer Agreement**

### **A. *Earnout payment***

If the Calculated Profits exceed HK\$7.2 million, the Purchaser shall pay an earnout payment to the Sellers in accordance with the following formulae:

$$(\text{Calculated Profits} - \text{HK}\$7,200,000) \times 6.35 \times 60\%$$

The earnout payment is subject to a maximum amount of HK\$24,000,000.

“Calculated Profits” means the Adjusted Profits of the Target Group for the First Financial Year or the average Adjusted Profits for the First Financial Year and the Second Financial Year, whichever is the higher.

“Adjusted Profits” means the profits after tax of the Target Group as adjusted by:

- (i) deducting the net profit/loss of the Nathan Road “Delicious” (“味皇”) restaurant and restaurants opened after the date of the Share Transfer Agreement;
- (ii) adding the salaries of a senior business development/operation manager who will be employed by the Target Group; and
- (iii) adding the depreciation in respect of the renovation of the existing restaurants, if any, after setting off the increase in the sales revenue from the commencement date of the renovation to the end of the Second Financial Year compared with the corresponding period of the previous year.

***B. Profit guarantee***

If the Calculated Profits are less than HK\$6 million, the Sellers shall compensate the Purchaser in accordance with the following formulae:

$$(\text{HK\$}6,000,000 - \text{Calculated Profits}) \times 6.5 \times 60\%$$

***C. Call and put options***

If the average profits after tax of the Target Group of the First Financial Year and the Second Financial Year exceeds HK\$10 million, (i) the Sellers have a put option to sell part or all of their shareholdings in the Target Company to the Purchaser; and (ii) the Purchaser has a call option to require the Sellers to sell to it part or all of their shareholdings in the Target Company:

- (a) at a price-earnings ratio of 6.5 if the average profits after tax of the Target Group for the First Financial Year and the Second Financial Year is HK\$12.25 million or below; and
- (b) at a price-earnings ratio of 8.5 if the average profits after tax of the Target Group for the First Financial Year and the Second Financial Year exceeds HK\$12.25 million.

#### ***D. Pre-emptive Rights***

If the Target Company intends to issue or allot any type of securities to any third parties after Completion, the Target Company must first offer the securities to the then shareholders of the Target Company for purchase in proportion to their shareholding and on the same terms and at the same consideration offered to the said third parties.

#### ***E. Right of First Refusal***

If the Existing Shareholder intends to dispose of its shares in the Target Company to any third parties after Completion, it must first offer the shares to the Purchaser for purchase on the same terms and at the same consideration offered to the said third parties.

### **INFORMATION ON THE TARGET GROUP AND THE TARGET ASSETS**

#### **The Target Company**

The Target Company is a limited company established in the British Virgin Islands on 15 May 2014. As at the date of the Share Transfer Agreement, the Target Company is held as to 40% by the Existing Shareholder and 60% by the Sellers.

#### **The Target Assets and the Reorganization**

The Sellers are engaged in the operation of chain restaurants in Hong Kong under the trade names “Delicious” (“味皇”), “Delicious Cafe” (“星級味皇”), “Delicious City” (“味集皇城”) and “Gustation Restaurant” (“嚙味”). As at the date of the Share Transfer Agreement, the Sellers operated the below 11 Target Restaurants and one Target Central Kitchen in Hong Kong:

##### *Target Restaurants*

<b>Name</b>	<b>Address</b>
1) 味皇餐廳小廚 (Yau Ma Tei Branch)	G/F, Lai Shing Building, 495A-497 Nathan Road, Yau Ma Tei, Kowloon
2) 味皇餐廳小廚 (Hau Fook Street Branch)	G/F, Luxury Court, 9 Hau Fook Street, Tsim Sha Tsui, Kowloon

Name	Address
3) 味皇餐廳小廚 (Prince Edward Branch)	G/F, The Celebrity, 164A Prince Edward Road West, Prince Edward, Kowloon
4) 味皇餐廳小廚 (Pak Tai Street Branch)	G/F, 12-16 Pak Tai Street, Tokwawan, Kowloon
5) 味皇餐廳小廚 (Wanchai, Canal Road Branch)	Shops G6&G7, G/F, Wing Tak Mansion, 15 Canal Road West, Wanchai, Hong Kong
6) 味集皇城 (Wan Chai C.C. Wu Building Branch)	Shops 2-3, UG/F, C.C. Wu Building, Wanchai, Hong Kong
7) 星級味皇 (Fortress Hill Branch)	G/F, Ying Wong's Building, 153 King's Road, Fortress Hill, Hong Kong
8) 星級味皇 (Tai Po Road Branch)	G/F, Chung Ching Building, 50-52 Tai Po Road, Sham Shui Po, Kowloon
9) 嚙味 (Shatin Branch)	Shop 107, 1/F, Citylink Plaza, Shatin, New Territories
10) 嚙味 (Tuen Mun Branch)	Shop 134-135&143, Level 3, Sun Tuen Mun Shopping Centre, Tuen Mun, New Territories
11) 味皇餐廳小廚 (Nathan Road Branch)	G/F, Ka Wing Building, 534-538 Nathan Road, Yau Ma Tei, Kowloon

*Target Central Kitchen*

Address: G/F, Block B, Wing Hong Factory Building, 777-783 Yu Chau West Street, Castle Peak Road, Cheung Sha Wan, Kowloon

As one of the conditions precedent of the Acquisition, the Target Company shall effect and complete the Reorganization, under which the Target Assets shall be injected to the Target Group.

The Target Assets are assets relating to the 11 Target Restaurants and the Target Central Kitchen which include:

- (1) Assets including all utilities, furniture, equipment, electronic appliance, renovation, etc.;
- (2) Permits/licenses for the operation of the restaurants and central kitchen;
- (3) Inventories;
- (4) Employees;
- (5) Insurance; and
- (6) Other assets/information necessary for the operation of the Target Restaurants and the Target Central Kitchen.

It is the intention of the parties to the Share Transfer Agreement that upon completion of the Reorganization, the Target Restaurants will continue to operate at the same locations and under the same trade names listed above.

### **Financial Information of the Target Assets**

The following financial information is based on the management account of the existing holding companies of the Target Assets for each of the two years ended 31 March 2014 and 31 March 2013:

	<b>For the year ended 31 March 2014 HK\$</b>	For the year ended 31 March 2013 HK\$
Turnover	<u><u>125,003,000</u></u>	<u><u>99,423,000</u></u>
Net profit before taxation	<u><u>8,839,000</u></u>	<u><u>8,709,000</u></u>
Net profit after taxation	<u><u>7,287,000</u></u>	<u><u>7,272,000</u></u>



	<b>As at</b> <b>31 March 2014</b> <b>HK\$</b>	As at 31 March 2013 HK\$
Net assets	<u><b>7,264,000</b></u>	<u>6,353,000</u>

## **REASONS FOR THE ACQUISITION**

It is the Group's strategy to invest further in the restaurant business and expand into low to middle-end restaurant chains. The Acquisition will allow the Group to acquire the majority control of a well-established "Cha Chaan Teng" (茶餐廳) business in Hong Kong. Following the Acquisition, it is the intention of the Group that the Target Company will open more stores in Hong Kong and expand into mainland China. The Directors consider that the Acquisition will provide growth opportunities to the Group in the "Cha Chaan Teng" market segment.

The Directors are of the view that the Acquisition is based on normal commercial terms which are fair and reasonable, negotiated on an arm's length basis between the parties to the Share Transfer Agreement, and in the interests of the Company and the shareholders of the Company as a whole.

## **INFORMATION ON THE GROUP**

The Company was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in investment holding, property investment and development, and the operations of hotel, restaurant and food businesses.

## **LISTING RULES IMPLICATION**

As an applicable percentage ratio of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## Definitions

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares as contemplated by the Share Transfer Agreement
“Board”	the board of Directors of the Company
“Calculated Profits”	has the meaning ascribed to it under the paragraph headed “The Share Transfer Agreement – Other Major Terms in the Share Transfer Agreement – A. Earnout payment” in this announcement
“Company”	Carrianna Group Holdings Company Limited (佳寧娜集團控股有限公司), an exempted company duly incorporated with limited liability in Bermuda and whose shares are listed and traded on the Main Board of the Stock Exchange (Stock code: 00126).
“Completion”	completion of the Acquisition
“Completion Date”	the date on which Completion take place, which is within three Business Days after the fulfilment (or waiver) of the conditions precedent set out in the paragraph headed “The Share Transfer Agreement – Conditions Precedent” in this announcement, or as otherwise agreed in writing by the parties to the Share Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$30 million for the sale and purchase of the Sale Shares under the Share Transfer Agreement
“Directors”	the directors of the Company

“Existing Shareholder”	Allied Ray Investment Holdings Limited (協明投資控股有限公司), an company incorporated in the Republic of Seychelles on 3 June 2014, which is wholly owned by the Sellers. The Existing Shareholder is holding 40% of the issued share capital of the Target Company
“First Financial Year”	the financial year commencing on the Completion Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and its connected person(s)
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and the Taiwan region;
“Purchaser”	Elite Brave Development Limited (精勇發展有限公司), a wholly owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liabilities on 29 March 2007
“Reorganization”	the reorganization to be effected by the Target Company in respect of the Target Assets and as described in the section headed “Information on the Target Group and the Target Assets – The Target Assets and the Reorganization” in this announcement and the steps of which are set out in details in the Share Transfer Agreement
“Reorganization Documents”	means the documents in relation to the Reorganization as more specifically set out in the Share Transfer Agreement
“Sale Shares”	6,000 shares of the Target Company, representing 60% of its issued share capital

“Second Financial Year”	the financial year immediately following the end of the First Financial Year
“Sellers”	Cheng Ka Wah and Cheng Ka Yeung, and each, a “Seller”
“Share Transfer Agreement”	the Share Transfer Agreement dated 26 June 2014 entered into between the Seller, the Purchaser, the Target Company and the Existing Shareholder, pursuant to which the Sellers agreed to sell and the Purchaser agreed to purchase the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	the assets to be acquired by the Target Group, as described in the section headed “Information on the Target Group and the Target Assets – The Target Assets and the Reorganization” in this announcement and as more particularly set out in the Share Transfer Agreement
“Target Central Kitchen”	the central kitchen currently operated by the Sellers, as described in the section headed “Information on the Target Group and the Target Assets – The Target Assets and the Reorganization” in this announcement
“Target Company”	Sleek Treasure Ventures Limited (順寶創投有限公司), a company incorporated under the laws of the British Virgin Islands with limited liabilities on 15 May 2014
“Target Group”	the Target Company and its subsidiaries upon completion of the Reorganization
“Target Group Companies”	companies in the Target Group, and each, a “Target Group Company”

“Target Restaurants” the 11 restaurants currently operated by the Sellers, as described in the section headed “Information on the Target Group and the Target Assets – The Target Assets and the Reorganization” in this announcement

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

“%” per cent.

Hong Kong, 26 June 2014

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

*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. Chan Sheung Lai, Mr. Ng Yan Kwong and Mr. Ma Hung Ming, John as executive Directors; and Mr. Lo Ming Chi, Charles, Mr. Lo Man Kit, Sam and Mr. Wong See King as independent non-executive Directors.*