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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2020

RESULTS

The board of directors (the "Board") of Carrianna Group Holdings Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2020, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
REVENUE	*3*	**1,031,070**	970,210
Cost of sales		**(553,412)**	(499,896)
Gross profit		**477,658**	470,314
Other income and gains, net		**116,321**	79,218
Selling and distribution expenses		**(200,261)**	(206,806)
General and administrative expenses		**(140,075)**	(147,680)
Other expenses, net		**(36,005)**	(55,952)
Finance costs	*4*	**(77,259)**	(53,345)
Share of profits and losses of associates		**(71,804)**	256,623
PROFIT BEFORE TAX	*5*	**68,575**	342,372
Income tax expense	*6*	**(53,714)**	(41,652)
PROFIT FOR THE YEAR		**14,861**	300,720

	Notes	2020 HK$'000	2019 HK$'000
Attributable to:			
Owners of the parent		**14,123**	277,958
Non-controlling interests		**738**	22,762
		14,861	300,720
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
– Basic		**HK cents 1.12**	HK cents 22.12
– Diluted		**HK cents 1.12**	HK cents 22.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2020

	2020	2019
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**14,861**	300,720
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations and reclassification adjustment on disposal and deregistration of foreign operations	**(145,874)**	(146,543)
Share of other comprehensive loss of associates	**(18,785)**	(44,517)
	(164,659)	(191,060)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(66,973)**	(70,902)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(231,632)**	(261,962)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**(216,771)**	38,758
Attributable to:		
Owners of the parent	**(211,662)**	18,881
Non-controlling interests	**(5,109)**	19,877
	(216,771)	38,758

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**741,979**	807,215
Investment properties		**1,982,167**	1,822,580
Right-of-use assets		**137,355**	–
Prepaid land lease payments		**–**	31,315
Goodwill		**76,451**	50,207
Interests in associates		**916,728**	993,174
Equity investment designated at fair value through other comprehensive income		**104,225**	175,098
Derivative financial instrument		**–**	41
Properties under development		**286,440**	298,520
Deferred tax assets		**719**	49
Other receivables, deposits and prepayments		**349,043**	304,069
Pledged time deposits		**15,014**	35,492
Total non-current assets		**4,610,121**	4,517,760
CURRENT ASSETS			
Properties under development		**–**	68,392
Properties held for sale		**439,923**	527,622
Inventories		**32,927**	24,220
Tax recoverable		**573**	535
Trade receivables	*9*	**52,245**	23,571
Other receivables, deposits and prepayments		**246,930**	656,336
Due from directors		**5,984**	10,498
Due from non-controlling shareholders		**6**	206
Due from an associate		**272,656**	60,736
Financial assets at fair value through profit or loss		**185,995**	197,097
Equity investment designated at fair value through other comprehensive income		**39,004**	37,643
Structured deposits		**241,103**	817
Restricted cash		**167**	90
Pledged time deposits		**19,682**	9,920
Cash and cash equivalents		**245,895**	126,259
Total current assets		**1,783,090**	1,743,942

	Notes	2020 HK$'000	2019 HK$'000
CURRENT LIABILITIES			
Trade payables	*10*	**(51,987)**	(51,012)
Other payables, accruals and deposits received		**(317,802)**	(341,790)
Provisions		**(960)**	(1,050)
Due to directors		**(654)**	(485)
Due to non-controlling shareholders		**(27,893)**	(22,391)
Interest-bearing bank borrowings		**(1,000,079)**	(976,323)
Lease liabilities		**(66,449)**	–
Finance lease payables		**–**	(18)
Deferred income		**(31,543)**	(35,328)
Tax payable		**(244,775)**	(248,556)
Total current liabilities		**(1,742,142)**	(1,676,953)
NET CURRENT ASSETS		**40,948**	66,989
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,651,069**	4,584,749
NON-CURRENT LIABILITIES			
Accruals and deposits received		**(8,115)**	(56,735)
Interest-bearing bank borrowings		**(675,133)**	(308,576)
Lease liabilities		**(59,922)**	–
Finance lease payables		**–**	(25)
Deferred income		**(88,866)**	(142,646)
Deferred tax liabilities		**(253,217)**	(243,289)
Provisions		**(2,812)**	(3,412)
Total non-current liabilities		**(1,088,065)**	(754,683)
Net assets		**3,563,004**	3,830,066
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**125,709**	125,709
Reserves		**3,473,650**	3,744,101
		3,599,359	3,869,810
Non-controlling interests		**(36,355)**	(39,744)
Total equity		**3,563,004**	3,830,066

NOTES

31 March 2020

1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain leasehold land and buildings, investment properties, derivative financial instrument, and certain financial assets which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Operating Cycle

The operating cycle of the Group for the property investment and development business is the period between the acquisition of assets and their realisation. Due to the nature of such business, its normal operating cycle may be longer than 12 months. The Group's current assets include assets (such as properties under development and properties held for sale) which are sold, consumed or realised as part of the normal operating cycle for the property investment and development business even when they are not expected to be realised within 12 months after the end of the reporting period.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the financial year beginning 1 April 2019:

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKFRS 9, HKAS 19, HKAS 28 and *Annual Improvements to HKFRSs 2015-2017 Cycle*, which are not relevant to or have no significant impact on the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

(a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. HKFRS 16 did not have any significant financial impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 April 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 April 2019, and the comparative information for 2019 was not restated and continued to be reported under HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 April 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 April 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 April 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 April 2019

- Relying on the entity's assessment of whether leases were onerous by applying HKAS 37 immediately before 1 April 2019 as an alternative to performing an impairment review

Financial impact at 1 April 2019

The impact arising from the adoption of HKFRS 16 at 1 April 2019 was as follows:

	Increase/ (decrease) *HK$'000*
Assets	
Increase in right-of-use assets	**196,774**
Decrease in property, plant and equipment	**(2,749)**
Decrease in prepaid land lease payments	**(31,315)**
Decrease in other receivables, deposits and prepayments*	**(2,166)**
Increase in total assets	**160,544**
Liabilities	
Increase in lease liabilities	**162,093**
Decrease in other payables, accruals and deposits received	**(1,549)**
Increase in total liabilities	**160,544**

* Included in other receivables, deposits and prepayments at 1 April 2019 was current portion of prepaid land lease payments of HK$828,000.

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

	HK$'000
Operating lease commitments as at 31 March 2019	**185,020**
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 March 2020	**(5,946)**
Commitments relating to leases of low-value assets	**(906)**
	178,168
Weighted average incremental borrowing rate as at 1 April 2019	**4.57%**
Discounted operating lease commitments and lease liabilities as at 1 April 2019	**162,093**

(b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions. The Group determined the interpretation did not have any significant impact on the financial position or performance of the Group.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the restaurant, food and hotel segment which engages in the operations of hotel, restaurant and food businesses; and

(b) the property investment and development segment which comprises the development and sale of properties and the leasing of residential, commercial and industrial properties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, unallocated other income and gains, net, non-lease-related finance costs as well as corporate and unallocated expenses are excluded from such measurement.

Intersegment sales and transfers are mainly transacted with reference to the selling prices used for sales made to third parties or at the agreed prices.

Year ended 31 March 2020

	Restaurant, food and hotel *HK$'000*	**Property investment and development** *HK$'000*	**Total** *HK$'000*
Segment revenue *(note 3)*			
Revenue from external customers	**768,403**	**262,667**	**1,031,070**
Intersegment revenue	**1,121**	**9,686**	**10,807**
	769,524	**272,353**	**1,041,877**
Reconciliation:			
Elimination of intersegment revenue			**(10,807)**
Total revenue			**1,031,070**
Segment results	**22,634**	**137,731**	**160,365**
Reconciliation:			
Bank interest income			**4,319**
Unallocated other income and gains, net			**20,852**
Corporate and unallocated expenses			**(39,702)**
Finance costs			**(77,259)**
Profit before tax			**68,575**

	Restaurant, food and hotel *HK$'000*	Property investment and development *HK$'000*	Total *HK$'000*
Other segment information			
Changes in fair value of investment properties, net	**–**	**48,846**	**48,846**
Share of profits and losses of associates	**–**	**(71,804)**	**(71,804)**
Other interest income			
– segment	**–**	**161**	**161**
– unallocated			**10,328**
			10,489
Impairment/(reversal of impairment) of trade receivables, net	**5,422**	**(802)**	**4,620**
Reversal of impairment of other receivables, net			
– segment	**–**	**(26,204)**	**(26,204)**
– unallocated			**(5,887)**
			(32,091)
Depreciation of property, plant and equipment			
– segment	**61,619**	**6,514**	**68,133**
– unallocated			**1,640**
			69,773

Year ended 31 March 2019

	Restaurant, food and hotel *HK$'000*	Property investment and development *HK$'000*	Total *HK$'000*
Segment revenue *(note 3)*			
Revenue from external customers	855,723	114,487	970,210
Intersegment revenue	1,406	7,574	8,980
	857,129	122,061	979,190
Reconciliation:			
Elimination of intersegment revenue			(8,980)
Total revenue			970,210
Segment results	93,795	293,770	387,565
Reconciliation:			
Bank interest income			1,816
Unallocated other income and gains, net			38,480
Corporate and unallocated expenses			(32,144)
Finance costs			(53,345)
Profit before tax			342,372
Other segment information			
Changes in fair value of investment properties, net	–	(9,079)	(9,079)
Gain on disposal of investment properties	–	8,697	8,697
Share of profits and losses of associates	–	256,623	256,623
Impairment of goodwill	8,721	–	8,721
Other interest income			
– segment	–	8,386	8,386
– unallocated			24,909
			33,295
Impairment/(reversal of impairment) of trade receivables, net	3,244	(83)	3,161
Impairment of other receivables, net			
– segment	–	4,072	4,072
– unallocated			1,531
			5,603
Depreciation of property, plant and equipment			
– segment	44,209	6,915	51,124
– unallocated			1,107
			52,231

Geographical information

Revenue from external customers

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**387,321**	404,406
Mainland China	**643,749**	565,804
	1,031,070	970,210

The revenue information above is based on the locations of the customers.

Information about major customers

Revenue of approximately HK$172,218,000 (2019: Nil) was derived from the sale of certain properties under development by the property investment and development segment to an external third party during the year ended 31 March 2020.

No revenue from any single external customer accounted for 10% or more of the Group's total revenue for the year ended 31 March 2019.

3. REVENUE

An analysis of revenue is as follows:

	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Income from restaurant, food and hotel businesses	**768,403**	855,723
Proceeds from sale of properties, property management service income and commission income	**180,045**	25,723
Revenue from other sources		
Gross rental income	**82,622**	88,764
	1,031,070	970,210

4. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on bank borrowings	**74,520**	56,059
Interest on lease liabilities	**6,795**	–
Less: Interest capitalised	**(4,056)**	(2,714)
	77,259	53,345

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2020	2019
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**69,773**	52,231
Depreciation of right-of-use assets		
(2019: amortisation of prepaid land lease payments)	**77,490**	507
Impairment/(reversal of impairment) of		
– trade receivables, net	**4,620**	3,161
– other receivables, net	**(32,091)**	5,603
Changes in fair value of investment properties, net	**(48,846)**	9,079
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss		
– held for trading	**27,929**	(3,474)
– designated as such upon initial recognition	**1,809**	(878)
Derivative instruments		
– transactions not qualifying as hedges	**9**	(3)
Bank interest income	**(4,319)**	(1,816)
Investment interest income	**(13,179)**	(5,779)
Other interest income	**(10,489)**	(33,295)
Dividend income from equity investments designated at		
fair value through other comprehensive income	**(6,948)**	(12,073)
Dividend income from financial assets at fair value through		
profit or loss	**(1,918)**	(1,364)
Gain on disposal of investment properties	**–**	(8,697)
Loss/(gain) on disposal of items of property, plant and equipment, net	**5,166**	(117)
Gain on disposal of a subsidiary	**(422)**	–
Loss on deregistration of subsidiaries	**919**	–
Impairment of goodwill*	**–**	8,721
Unwinding of discount on receivables	**(19,112)**	(11,643)

* The impairment of goodwill is included in "Other expenses, net" in the consolidated statement of profit or loss.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered tax rates regime effective from the year of assessment 2019/2020. The first HK$2,000,000 (2019: Nil) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable in Mainland China have been calculated at the relevant rates of tax prevailing in Mainland China.

	2020	2019
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**838**	1,158
Current – Mainland China		
Corporate income tax	**39,778**	53,976
Land appreciation tax	**16,170**	–
Overprovision in prior years	**(14,435)**	(9,577)
Deferred	**11,363**	(3,905)
Total tax charge for the year	**53,714**	41,652

7. DIVIDEND

	2020	2019
	HK$'000	*HK$'000*
Proposed final – HK3 cents (2019: HK3 cents) per ordinary share	**37,713**	37,713

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,257,087,536 (2019: 1,256,654,659) in issue during the year.

The calculation of the diluted earnings per share amount for the year ended 31 March 2019 is based on the profit for the year ended 31 March 2019 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year ended 31 March 2019, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2020 in respect of a dilution as the share options of the Company outstanding during the year ended 31 March 2020 had no dilutive effect on the basic earnings per share amount presented.

The calculations of basic and diluted earnings per share are based on:

	2020	2019
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**14,123**	277,958

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,257,087,536**	1,256,654,659
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	749,055
	1,257,087,536	1,257,403,714

9. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**78,890**	46,868
Impairment	**(26,645)**	(23,297)
	52,245	23,571

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/debit note date and net of loss allowance, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**36,956**	15,649
31 to 60 days	**7,174**	4,038
61 to 90 days	**4,502**	1,939
Over 90 days	**3,613**	1,945
	52,245	23,571

For restaurant, bakery and hotel operations, the Group's trading terms with its customers are mainly on demand or credit card settlements. For sale of food products, customers are generally given 30 to 90 days credit terms, except for new customers or certain food products, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding trade receivable balances. Overdue balances are reviewed regularly by management.

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice/debit note date, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**29,734**	30,495
31 to 60 days	**4,217**	8,057
61 to 90 days	**8.861**	7,367
Over 90 days	**9,175**	5,093
	51,987	51,012

The trade payables are non-interest-bearing and are normally repayable within the normal operating cycle.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL RESULTS

For the year ended 31 March 2020, the Group's turnover was HK$1,031,070,000 (2019: HK$970,210,000), increased by 6% compared to last year. The Group's profit attributable to shareholders was HK$14,123,000 (2019: HK$277,958,000), reduced by 95% from last year. Excluding the property revaluation gain and related tax effect of HK$25,029,000 and the exchange loss of the receivable from the disposal of Carrianna (Hunan) Enterprise Co., Ltd. of HK$14,143,000, operating profit attributable to shareholders was HK$3,237,000 (2019: HK$35,333,000), decrease by 91% from last year. The increase in turnover was mainly attributable to the sale of the land numbered "H" and the construction in progress situated on it for RMB160,344,000 of the Lianyungang project during the year, which was partly offset by the decrease in revenue from the restaurant, food and hotel businesses. Decrease in operating profit attributable to shareholders was mainly due to the significant impact of the outbreak of novel coronavirus ("COVID-19") and social events on the results of the restaurant, food and hotel businesses, and the share of losses of the associates during the year.

PROPERTY

External turnover of property investment and development segment for the year ended 31 March 2020 was HK$262,667,000 (2019: HK$114,487,000), an increase of 129% from last year. The increase was mainly attributable to the sale of the land numbered "H" and the construction in progress situated on it for RMB160,344,000 of the Lianyungang project during the year, which was partly offset by the slight decrease in rental income during the last quarter of the year when there was an outbreak of COVID-19. Segment profit for the year was HK$137,731,000 (2019: HK$293,770,000), a decrease of 53% from last year. Excluding the property revaluation gain of HK$37,729,000 and the exchange loss of the receivable from the disposal of Carrianna (Hunan) Enterprise Co., Ltd. of HK$14,143,000, the Group recorded a segment operating profit of HK$114,145,000 (2019: HK$55,054,000). The increase in segment operating profit was mainly resulted from the gain on disposal of the abovementioned Lianyungang property, which was partly offset by the share of the operating loss of the Group's 50% owned Dongguan Home Town project for the year.

The Group's rental income from investment properties for the year was HK$82,622,000 (2019: HK$88,764,000), a decrease of 7% from last year. While there was a small growth in rental income in Hong Kong due to new additions to the investment properties portfolio, the investment properties of Shenzhen Carrianna Friendship Square Shopping Mall and Shenzhen Imperial Palace Shopping Mall in the Mainland have recorded a decrease in rental income due to the offer of rental concessions to the tenants during the last quarter of the year when there was an outbreak of the COVID-19. The decrease was also partly due to devaluation in Renminbi which has resulted in a drop in rental income in Hong Kong dollars.

The Group's 50% owned Dongguan Home Town project was fully completed. The east tower of six storeys and two levels of basement with a total floor area of 109,000 sq.m. home furniture and building materials centre is entirely opened for business. The west tower and north tower with a total area of 164,000 sq.m. of community, dining and shopping mall are also fully opened for business. The overall rent-out rate for the east, west and north towers is 60%. The associate is operating at a loss due to insufficient rental income to cover the operating expenses. Management has been continuously raising the attractiveness of the shopping centres, through promoting events and new selling points to attract people flow and more shop tenants to both the home furniture and building materials centre and the community, dining and shopping mall in order to increase the occupancy rates and value of the shopping centres.

Construction of the Guangzhou South Station Property, as described hereunder, is scheduled to complete in the fourth quarter of 2020. According to the pre-sale agreement with Vanke Group's affiliate Guangzhou Wanche Property Company Limited（廣州市萬澈房地產有限公司）, the Group has agreed to purchase the 13 storeys commercial building being constructed at the vibrant central district of the Guangzhou South high speed train station in Panyu, Guangzhou ("Guangzhou South Station Property"). The building comprises the ground floor lobby, all office units from 3rd to 13th floors and 75 car parking spaces at the basement level. The total gross floor area of the office units is 9,203 sq.m. After completion and delivery of the property, it will become a high grade commercial building at the Guangzhou South Station and will bring additional rental income to the Group.

The Group's 50% owned Haitan Street re-development project, which is situated at 223-225A Haitan Street, Sham Shui Po, Hong Kong is still under its progress of development. The project comprises a site area of 4,729 sq.ft., buildable gross floor area of 42,500 sq.ft., and saleable floor area of approximately 34,400 sq.ft.. As of today, the joint venture company, Grand Creation Development Limited has successfully acquired approximately 90% of the property ownerships. The acquisition by compulsory auction sale was delayed by the outbreak of the COVID-19 and is expected to complete by end of 2020. Site investigation and demolition works are estimated to commence in the first quarter of 2021 and construction works will be carried out thereafter. The project is expected to complete by mid-2023.

In May 2019, the Group further expanded its property development business in Hong Kong by entering into an agreement to subscribe for 50% equity interest in Mega Success Limited ("Mega Success"). The principal business of Mega Success is the property re-development project at Castle Peak Road. The project is situated at 300-306 Castle Peak Road, Sham Shui Po with a site area of 4,709 sq.ft., buildable gross floor area of 42,400 sq.ft., and saleable floor area of approximately 34,300 sq.ft.. As at today, Mega Success has successfully acquired approximately 90% of the property ownership of the Phase 1 development, and it is expected all the remaining units will be acquired by end of the first quarter of 2021. Site investigation and demolition works are estimated to commence in the second quarter of 2021 and construction works will be carried out thereafter. The project is expected to complete by mid-2024.

RESTAURANT, FOOD AND HOTEL

Due to the China-US trade war, the social events and the outbreak of COVID-19, there was a slow-down of the economic activities in the Mainland and Hong Kong, which had significantly affected the restaurant, food and hotel segment businesses for the year. External turnover of restaurant, food and hotel segment for the year ended 31 March 2020 was HK$768,403,000 (2019: HK$855,723,000), a decrease of 10% from last year. Segment profit for the year was HK$22,634,000 (2019: HK$93,795,000), a decrease of 76% from last year. The decrease was a result of the decrease in mooncake sales, as well as restaurant and hotel businesses.

The Group's overall restaurant turnover for the year was HK$389,445,000 (2019: HK$424,155,000), a decrease of 8% from last year. Restaurant business recorded a loss of HK$48,550,000 for the year as compared to a loss of HK$8,044,000 last year.

There was a decrease in sales revenue of Carrianna Chinese restaurant group of 13% to HK$166,808,000 from last year. With the opening of two new "Shun Yi" (順意) Shunde cuisine restaurants in Shenzhen, the Group operated 7 Carrianna traditional Chao Zhou cuisine restaurants and 3 "Shun Yi" (順意) Shunde cuisine restaurants during the year. Except for the "Shun Yi" (順意) Shunde cuisine restaurants, other Carrianna Chinese restaurants recorded a drop in sales and results during the year. The Carrianna Chinese restaurant group recorded a loss of HK$17,900,000 for the year as compared to a profit of HK$1,814,000 last year. Due to the outbreak of the COVID-19 and to comply with the local government preventive policies, the Group's Carrianna Chinese restaurant business in the Mainland was shut down for nearly two months in the last quarter of the year. "Shun Yi" (順意) Shunde cuisine restaurants continued to contribute in sales growth and profit for the Group. The fourth "Shun Yi" (順意) Shunde cuisine restaurant has just been opened in Foshan, Guangdong in June 2020. "Shun Yi" (順意) Shunde cuisine restaurants will become another profit contributing restaurant division of the Group.

The Hong Kong Delicious restaurant group recorded a decrease of 2% in turnover to HK$215,880,000 from last year. Delicious restaurant group operated 18 Hong Kong style "Cha Chaan Teng"（茶餐廳）restaurants under the trade names "Delicious"（味皇）, "Gustation"（嚐味）, "Gusto"（樂天廚房）and "Rasa Pesta"（嚐聚）, and 4 northern China style noodle shops, branded "King Noodle"（麵皇）during the year. The Delicious restaurant group recorded a loss of HK$21,857,000 for the year (2019: HK$4,666,000). The business of Delicious restaurant group was significantly affected by the social events in Hong Kong and outbreak of COVID-19 during the year. The loss was also attributable to the impairment of fixed assets and right-of-use assets of HK$11,900,000 as a result of the shop closures. The Group has implemented various cost control measures in food, labour and rent to minimize the impact of the virus outbreak on the restaurant operation and financial performance. The Group has been closely monitoring the market conditions and adjusted its business strategies to boost sales by increasing promotions, special discounts and takeaway and home delivery. Management has taken prompt decision to close four loss-making Delicious restaurants and one noodle shop in March and April 2020. Due to the challenging business environment, the "ZZhang" Korean food restaurant and "V. THAi" Thai food restaurant in Causeway Bay were also closed during the year. The Group plans to open two to three new Delicious restaurants in the coming year.

Food business turnover for the year was HK$341,253,000 (2019: HK$380,223,000), a decrease of 10% from last year. The decrease in food business turnover mainly came from Carrianna mooncake sales, which were down by 15% from last year. Hainan, Shenzhen and Kunming markets all recorded a decrease in turnover and profit. The construction of the new Hainan food factory was largely completed. The new factory has a site area of 29,968 sq.m. and a total floor area of 58,114 sq.m. The production base comprises 6 individual buildings, which include a composite administration building, a staff quarter building, a logistics and storage building, production building One (for mooncake and filling production), production building Two (for tourist packaged food and bread production) and production building Three (for packaged meat production). Each of the production buildings is installed with modern advanced automatic production facilities. The mooncake production line is in full operation and will significantly increase the production capacity of mooncakes. The bread production line will be in its trial run at end of 2020. Besides, the factory is expected to produce packaged Hainan-style food and Chinese-style dry meat products in 2021, which will make the food business more diversified and will contribute to the growth of the Group's food business.

Turnover of the subsidiary Profit Smart group's bread business in Hong Kong slightly reduced 2% to HK$111,924,000 from last year. Profit Smart group operated 17 bakery shops throughout Hong Kong under the trade names "Empery Bakery"（馥軒）, "Pak Lok Bakery"（百樂麵包）and "V28 Bakery" during the year. Profit Smart group has turned around to record a profit of HK$1,826,000 from a loss of HK$4,573,000 last year. The Profit Smart group has managed to improve results of the retail shops by introducing new products and improving management efficiency. At the same time, the factory business performance has continued to grow as a result of better cost control and sustainability of direct sales. Profit Smart group has closed down 4 poor performing shops during the year. Management will continue to strengthen product development and introduce more new products with the aim to boost sales and plan to open one to two new shops in the coming year.

Hotel business environment remained difficult for the year with a turnover of HK$37,705,000 (2019: HK$51,345,000), a decrease of 27% from last year. The operating loss of the two hotels decreased by 24% to HK$20,455,000 from last year. The decrease was mainly due to the one-time impairment of the goodwill of HK$8,721,000 relating to Foshan Carrianna Hotel last year. Management is implementing measures to improve the results of the hotels through tighter cost control and rendering of better services. Foshan Carrianna Hotel is undergoing a refurbishment to upgrade its hotel rooms to improve its competitiveness. After implementing the above measures, management believes that Foshan Carrianna Hotel and Yiyang Carrianna International Hotel will be able to achieve positive cash flows.

OUTLOOK

2019/2020 had been a difficult year. The Hong Kong social events, together with the global trade disputes and COVID-19 pandemic had hindered economic development and caused instability to the economy. Economic activities were widely disrupted as lockdowns and travel bans were imposed in various cities. Although there are economic uncertainties and challenges ahead, management remains positive and cautiously optimistic about the prospects of the Group's property investment and development business and the restaurant, food and hotel business.

Management believes that the economic development under the Greater Bay Area will continue to create new demand for commercial buildings and office towers. Also, management believes that the land supply shortage, low level of interest rate and strong end-user demand will provide a strong support to the residential property market in Hong Kong. While the existing investment property portfolio provides steady income flow, the new Guangzhou South Station Property and the two Shum Shui Po property re-development projects will provide additional income return to the Group in the short and medium term. Management will continue to explore new opportunities of property investment as they arise.

With the easing of lockdowns and gradual resuming of business activities, management has seen the picking up again of the Group's restaurant business as well as the bakery business in the second quarter of 2020. Management has been monitoring the market conditions and adjusted its business strategies in response to market changes to increase competitiveness. The Group is confident that the restaurant and bakery business performance will greatly improve in the coming year.

In addition, with the advanced Hainan production facility in operation, the Group is looking to expand its mooncake's business in the Mainland and to develop the markets for the meat products, tourist packaged food and bread, making the food business more diversified and contributing to the growth of the Group's food business in the next few years.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2020, the Group's consolidated net assets after deduction of non-controlling interests was HK$3,599,359,000 (31 March 2019: HK$3,869,810,000) and consolidated net assets after deduction of non-controlling interests per share was HK$2.86 (31 March 2019: HK$3.08).

As at 31 March 2020, the Group's cash and cash equivalents amounted to HK$245,895,000 (2019: HK$126,259,000), which were denominated in Hong Kong dollars, Renminbi and United States dollars of HK$62,498,000, HK$127,695,000 and HK$55,702,000 respectively. The Group's free cash and bank balances, structured deposits, and derivative financial instrument amounted to HK$486,998,000 as at 31 March 2020 (2019: HK$127,117,000).

As at 31 March 2020, the Group's total bank borrowings amounted to HK$1,675,212,000 (2019: HK$1,284,899,000). All interest-bearing bank borrowings bear interest at floating rates. Netting off cash deposits pledged for borrowings, the Group's net bank borrowings were HK$1,640,516,000 (2019: HK$1,239,487,000). Net bank borrowings less free cash and bank balances, structured deposits and derivative financial instrument were HK$1,153,518,000 (2019: HK$1,112,370,000).

The Group's gearing ratio, which was defined as the Group's interest-bearing bank borrowings, net of cash and cash equivalents, structured deposits, derivative financial instrument and pledged time deposits as a percentage of the Group's total equity, was approximately 32% (2019: 29%).

The Group adopts conservative treasury policy in cash and financial management. The objective of the Group's treasury policy is to maintain a sound financial position by holding an appropriate level of cash to meet its operating requirements and long-term business development needs.

The Group generally funds the operations from internal resources, investment income and bank borrowings. The liquidity needs mainly comprise general working capital, capital expenditure and investment, and repayment of bank borrowings and interest.

During the year under review, management closely monitored the cash position of the Group from time to time to ensure that it was adequate to finance the financial and operational requirements. With the increase in the level of cash balance at the year end, management will utilize it for appropriate investments in accordance with the Group's strategies and directions from the Board.

MATERIAL ACQUISITION OR DISPOSAL

Formation of associate

On 24 May 2019, Goldfield Properties Limited ("Goldfield"), an indirect wholly-owned subsidiary of the Company, Fine Star Holdings Limited ("Fine Star") and Mega Success Limited ("Mega Success") entered into a shareholders agreement, pursuant to which (i) Goldfield will subscribe for 100 shares, being 50% of the total issued share capital, of Mega Success; and (ii) Goldfield and Fine Star agree to manage and operate the property re-development project of Mega Success at 300-306 Castle Peak Road, Kowloon, Hong Kong in accordance with the terms of the agreement. It is expected that the total capital commitments of Goldfield towards Mega Success for the property development project will be approximately HK$200,000,000.

Further details of the above were explained in the Company's announcement dated 24 May 2019.

Disposal of property

On 6 December 2019, China East International Materials City Development (Lianyungang) Company Limited（華東國際時尚物料城開發（連雲港）有限公司）(the "Vendor"), an indirectly wholly-owned subsidiary of the Company and Lianyungang Zhen Cheng Property Company Limited（連雲港振盛置業有限公司）(the "Purchaser"), an independent third party entered into a transfer agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire (i) the land under construction with a total land area of approximately 83,618 square metres being the parcel of land numbered "H" situated 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 (the "Land") owned by the Vendor for a cash consideration of RMB100,344,000 (equivalent to approximately HK$111,381,840); and (ii) the construction in progress situated on the Land with an expected total floor area of approximately 200,677 square metres, more particularly known as China East International New City • Dong Wan（華東國際新城•東苑）for a cash consideration of RMB60,000,000 (equivalent to approximately HK$66,600,000). The transaction was completed on 25 March 2020 and a gain of approximately HK$67,348,000 was recorded as a result of the disposal of the property.

Further details of the above were explained in the Company's announcements dated 6 December 2019 and 26 March 2020.

Contingent liabilities

As at the end of the reporting period, the Group had contingent liabilities relating to guarantees given to banks for mortgage loan facilities granted to purchasers of properties of approximately HK$3,619,000 (2019: HK$6,144,000).

Charges on the Group's assets

As at the end of the reporting period, certain of the Group's property, plant and equipment, investment properties, properties held for sale, time deposits and financial assets at fair value through profit or loss with a total carrying value of approximately HK$1,811,441,000 (2019: HK$1,943,288,000) were pledged to secure general banking, trade finance and other facilities granted to the Group. In addition, rental income generated in respect of certain investment properties of the Group was assigned to banks to secure loan facilities granted to the Group.

Foreign exchange exposure

The Group mainly operates in Hong Kong and Mainland China. Most of the Group's monetary assets, liabilities and transactions as at 31 March 2020 and for the year then ended principally denominated in Hong Kong dollars and Renminbi. Majority of the sales, purchases and expenditure incurred by the operating units of the Group during the year were denominated in the units' functional currencies and as a result, the Group does not anticipate significant transactional currency exposures, except for the outstanding consideration receivable in relation to the disposal of the Group's equity interest in Carrianna (Hunan) Enterprise Co. Ltd. of approximately RMB104,858,000 (equivalent to HK$114,473,000) as at the reporting date. The Group has not used any derivative to hedge its exposure to foreign currency risk.

EMPLOYEE AND REMUNERATION POLICY

The Group's staff consists of approximately 700 employees in Hong Kong and approximately 1,000 employees outside Hong Kong (Mainland China). Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

EVENT AFTER THE END OF THE REPORTING PERIOD

Acquisition of property

On 29 May 2020, Shenzhen Jiayizhan Trading Company Limited (深圳市佳意棧貿易有限公司) (the "Purchaser"), an indirect wholly-owned subsidiary of the Company and Yunan Longyu Property Development Company Limited (雲南龍宇房地產開發有限公司) (the "Vendor"), an independent third party entered into a pre-sale agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase all the commercial units numbered 8-S113, 8-S212, 8-S301 and 8-S401 of a 4-storey building (the "Building"), and ten parking spaces at basement level 1 of the Building (together the "Property") to be constructed on a parcel of land situate at Fifth Avenue, Runcheng, Kunming, Yunan Province, China (中國雲南省昆明市潤城第五大道) for a total cash consideration of RMB41,150,001 (equivalent to approximately HK$44,474,921), of which RMB40,000,001 is apportioned to the commercial units, and the remaining balance, being RMB1,150,000 is apportioned to the parking spaces. The consideration for the commercial units is based on the expected aggregate gross floor area of the commercial units of 2036.47 square metres and an agreed price per square metre for each of the commercial units, which upon completion of the Building, shall be adjusted based on the actual gross floor area of the commercial units.

Pursuant to the pre-sale agreement, the Vendor shall deliver the Property to the Purchaser on or before 30 July 2021.

Further details of the above were explained in the Company's announcement dated 29 May 2020.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Directors recommended the payment of a final dividend of HK3 cents (2019: final dividend of HK3 cents) per ordinary share for the year ended 31 March 2020. Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the final dividend will be paid on or before 9 October 2020.

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Thursday, 17 September 2020 to Friday, 18 September 2020 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend (subject to shareholders' approval at the Annual General Meeting), all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 16 September 2020.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the shareholders of the Company will be held at Carrianna (Chiu Chow) Restaurant, 1st Floor, 151 Gloucester Road, Wanchai, Hong Kong on Friday, 28 August 2020 at 11:00 a.m. The Notice of the Annual General Meeting will be published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the website of the Company (http://www.carrianna.com).

For the purpose of ascertaining shareholders' right to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Tuesday, 25 August 2020 to Friday, 28 August 2020, both days inclusive, during which period no transfer of shares will be effected. In order for a shareholder to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 24 August 2020.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors of the Company, namely Mr. Lo Ming Chi, Charles (Chairman), Mr. Lo Man Kit, Sam and Mr. Wong See King.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Group's financial statements for the year ended 31 March 2020.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2020 as set out in the preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the directors, save as disclosed below, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 March 2020.

In accordance with Code Provision A.4.1 of the Corporate Governance Code, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the non-executive director and the independent non-executive directors are not appointed for a specific term. However, all the directors (except Chairman) are subject to retirement by rotation at least once every three years at the Annual General Meeting of the Company in accordance with the provision of the By-laws of the Company and their terms of appointment are reviewed when they are due for re-election.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for securities transactions by the directors of the Company. Following specific enquiry by the Company, save as disclosed below, the directors have confirmed that they have complied with the required standard under the Model Code for the year ended 31 March 2020.

According to Rule A.3(a)(ii) of the Model Code, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results, which was from 28 October to 27 November 2019 ("Blackout Period").

Due to inadvertent oversight, Mr. Ma Hung Ming, John, the executive director of the Company, sold 4,000 shares of the Company at the average price of HK$0.79 per share on 29 October 2019, and 100,000 shares of the Company at the average price of HK$0.78 per share on 30 October 2019, respectively within the Blackout Period.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2020.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

The annual results announcement is published on the websites of the Company (http://www.carrianna.com) and the Stock Exchange (https://www.hkex.com.hk), respectively. The 2020 annual report will be despatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

The Board takes this opportunity to express hearty gratitude to business partners, shareholders, and loyal and diligent staff.

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

Hong Kong, 29 June 2020

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. 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.