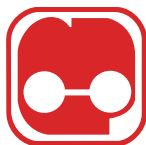


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佳寧娜集團控股有限公司  
**CARRIANNA GROUP HOLDINGS COMPANY LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 00126)

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**UNAUDITED INTERIM RESULTS**

The board of directors (the “Board”) of Carrianna Group Holdings Company Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2023. The interim condensed consolidated financial statements have not been audited but have been reviewed by the Company’s audit committee.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*For the six months ended 30 September 2023*

		For the six months ended	
		30 September	
		2023	2022
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>REVENUE</b>	4	<b>366,316</b>	379,115
Cost of sales		<b>(149,232)</b>	(149,014)
Gross profit		<b>217,084</b>	230,101
Other income and gains, net		<b>3,321</b>	46,438
Selling and distribution expenses		<b>(123,900)</b>	(116,457)
General and administrative expenses		<b>(91,467)</b>	(93,200)
Other expenses, net		<b>(68,978)</b>	(188,314)
Finance costs	5	<b>(59,942)</b>	(30,003)
Share of losses of associates		<b>(29,090)</b>	(30,274)

		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	2022
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited)
<b>LOSS BEFORE TAX</b>	6	<b>(152,972)</b>	(181,709)
Income tax credit	7	<u>12,790</u>	<u>32,340</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(140,182)</b></u>	<u>(149,369)</u>
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		(135,216)	(157,586)
Non-controlling interests		<u>(4,966)</u>	<u>8,217</u>
		<u><b>(140,182)</b></u>	<u>(149,369)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
	9		
Basic		<u><b>(8.61)</b></u>	<u>(10.03)</u>
		<u><b>(8.61)</b></u>	<u>(10.03)</u>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period	<u>(140,182)</u>	<u>(149,369)</u>
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(168,761)	(271,516)
Share of other comprehensive income/(loss) of associates	<u>(35,236)</u>	<u>16,037</u>
	<u>(203,997)</u>	<u>(255,479)</u>
Items 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	<u>(8,338)</u>	<u>(39,605)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(212,335)</u>	<u>(295,084)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u><u>(352,517)</u></u>	<u><u>(444,453)</u></u>
<b>ATTRIBUTABLE TO:</b>		
Owners of the parent	(345,329)	(449,275)
Non-controlling interests	<u>(7,188)</u>	<u>4,822</u>
	<u><u>(352,517)</u></u>	<u><u>(444,453)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 September 2023*

	30 September 2023	31 March 2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>795,718</b>	858,120
Investment properties	<b>2,213,678</b>	2,329,752
Right-of-use assets	<b>120,214</b>	137,587
Goodwill	<b>52,581</b>	52,581
Interests in associates	<b>947,080</b>	976,948
Equity investments designated at fair value through other comprehensive income	<b>87,530</b>	95,868
Properties under development	<b>301,363</b>	321,756
Deferred tax assets	<b>16,156</b>	20,964
Other receivables, deposits and prepayments	<b>32,070</b>	34,066
	<hr/>	<hr/>
Total non-current assets	<b>4,566,390</b>	4,827,642
<b>CURRENT ASSETS</b>		
Properties held for sale	<b>421,951</b>	449,774
Inventories	<b>38,842</b>	30,082
Tax recoverable	<b>3,784</b>	4,120
Trade receivables	<b>90,019</b>	30,913
Other receivables, deposits and prepayments	<b>310,424</b>	381,529
Due from directors	<b>2,821</b>	2,765
Due from an associate	<b>269,504</b>	283,038
Financial assets at fair value through profit or loss	<b>75,954</b>	124,238
Equity investment designated at fair value through other comprehensive income	<b>34,494</b>	33,663
Restricted cash	<b>30</b>	32
Pledged time deposits	<b>33,796</b>	33,568
Cash and cash equivalents	<b>259,282</b>	287,707
	<hr/>	<hr/>
Total current assets	<b>1,540,901</b>	1,661,429

		<b>30 September 2023</b>	31 March 2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	11	(67,669)	(56,819)
Other payables, accruals and deposits received		(200,874)	(227,484)
Convertible bonds		(71,914)	(57,988)
Due to directors		(1,948)	(3,067)
Due to non-controlling shareholders		(38,175)	(37,956)
Interest-bearing bank borrowings		(1,075,060)	(1,189,482)
Lease liabilities		(42,712)	(36,366)
Deferred income		(29,135)	(31,213)
Tax payable		(294,783)	(306,710)
Total current liabilities		<u>(1,822,270)</u>	<u>(1,947,085)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(281,369)</u>	<u>(285,656)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,285,021</u>	<u>4,541,986</u>
<b>NON-CURRENT LIABILITIES</b>			
Accruals and deposits received		(6,391)	(6,779)
Interest-bearing bank borrowings		(669,717)	(509,565)
Lease liabilities		(61,270)	(81,782)
Deferred income		(77,680)	(82,678)
Deferred tax liabilities		(246,568)	(271,293)
Provisions		(4,397)	(4,687)
Total non-current liabilities		<u>(1,066,023)</u>	<u>(956,784)</u>
Net assets		<u><u>3,218,998</u></u>	<u><u>3,585,202</u></u>
<b>EQUITY</b>			
<i>Equity attributable to owners of the parent</i>			
Issued capital		157,136	157,136
Reserves		<u>3,075,812</u>	<u>3,434,828</u>
Non-controlling interests		<u>3,232,948</u>	<u>3,591,964</u>
		<u>(13,950)</u>	<u>(6,762)</u>
Total equity		<u><u>3,218,998</u></u>	<u><u>3,585,202</u></u>

## NOTES:

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2023 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and in compliance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised HKFRSs for the first time for the current period’s financial statements:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Piller Two Model Rules</i>

The adoption of the above new and revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial statements.

### 3. 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 resources 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, certain fair value gains or losses from the Group's financial instruments, finance costs as well as corporate and unallocated expenses are excluded from such measurement.

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

The following tables present revenue, profit or loss information for the Group's reportable operating segments during the period.

	Restaurant, food and hotel		Property investment and development		Total	
	For the six months ended 30 September					
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Segment revenue:</b>						
Revenue from external customers	312,366	323,606	53,950	55,509	366,316	379,115
Intersegment revenue	1,221	1,166	5,426	4,064	6,647	5,230
	<u>313,587</u>	<u>324,772</u>	<u>59,376</u>	<u>59,573</u>	<u>372,963</u>	<u>384,345</u>
<i>Reconciliation:</i>						
Elimination of intersegment revenue					(6,647)	(5,230)
Total revenue					<u>366,316</u>	<u>379,115</u>
<b>Segment results</b>	<b>(3,187)</b>	<b>22,635</b>	<b>(65,724)</b>	<b>(136,212)</b>	<b>(68,911)</b>	<b>(113,577)</b>
<i>Reconciliation:</i>						
Bank interest income					1,086	477
Unallocated other income and gains, net					3,249	6,751
Corporate and unallocated expenses					(28,454)	(45,357)
Finance costs					(59,942)	(30,003)
Loss before tax					<u>(152,972)</u>	<u>(181,709)</u>

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<i>Revenue from contracts with customers</i>		
Income from restaurant, food and hotel businesses	<b>312,366</b>	323,606
Proceeds from sale of properties, property management service income and commission income	<b>4,721</b>	3,724
	<b>317,087</b>	327,330
<i>Revenue from other sources</i>		
Gross rental income	<b>49,229</b>	51,785
	<b>366,316</b>	379,115

#### Revenue from contracts with customers

#### *Disaggregated revenue information*

*For the six months ended 30 September 2023*

<b>Segments</b>	<b>Restaurant, food and hotel HK\$'000 (Unaudited)</b>	<b>Property investment and development HK\$'000 (Unaudited)</b>
<b>Types of goods or services</b>		
Restaurant and bakery operations	<b>233,231</b>	–
Sale of food products	<b>64,497</b>	–
Hotel operations	<b>14,638</b>	–
Sale of properties	–	<b>3,988</b>
Property management services	–	<b>733</b>
Total revenue from contracts with customers	<b>312,366</b>	<b>4,721</b>



<b>Segments</b>	<b>Restaurant, food and hotel HK\$'000 (Unaudited)</b>	<b>Property investment and development HK\$'000 (Unaudited)</b>
<b>Geographical markets</b>		
Hong Kong	108,143	–
Mainland China	204,223	4,721
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>312,366</b>	<b>4,721</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
At a point in time	297,728	3,988
Over time	14,638	733
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>312,366</b>	<b>4,721</b>
	<hr/> <hr/>	<hr/> <hr/>

*For the six months ended 30 September 2022*

<b>Segments</b>	<b>Restaurant, food and hotel HK\$'000 (Unaudited)</b>	<b>Property investment and development HK\$'000 (Unaudited)</b>
<b>Types of goods or services</b>		
Restaurant and bakery operations	190,394	–
Sale of food products	122,126	–
Hotel operations	11,086	–
Sale of properties	–	3,130
Property management services	–	594
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>323,606</b>	<b>3,724</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Segments</b>	Restaurant, food and hotel <i>HK\$'000</i> (Unaudited)	Property investment and development <i>HK\$'000</i> (Unaudited)
<b>Geographical markets</b>		
Hong Kong	108,602	–
Mainland China	215,004	3,724
	<hr/>	<hr/>
Total revenue from contracts with customers	<u>323,606</u>	<u>3,724</u>
<b>Timing of revenue recognition</b>		
At a point in time	312,520	3,130
Over time	11,086	594
	<hr/>	<hr/>
Total revenue from contracts with customers	<u>323,606</u>	<u>3,724</u>

## 5. FINANCE COSTS

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest in respect of:		
Bank loans and bank overdrafts	55,268	26,679
Convertible bonds	2,149	1,134
Lease liabilities	2,525	2,190
	<hr/>	<hr/>
	<u>59,942</u>	<u>30,003</u>

## 6. LOSS BEFORE TAX

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

	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold and services provided	149,232	149,014
Depreciation of property, plant and equipment	41,275	32,204
Depreciation of right-of-use assets	20,509	22,192
Changes in fair value of financial assets at fair value through profit or loss, net	(2,432)	30,337
Equity-settled share option expense	–	20
Foreign exchange differences, net	162	268
Bank interest income	(1,086)	(477)
Changes in fair value of investment properties, net	70,727	158,314

## 7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	For the six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	(860)	(952)
Current – Mainland China		
Charge for the period	(3,894)	(7,132)
Deferred	17,544	40,424
Total tax credit for the period	12,790	32,340

## 8. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2023 (2022: Nil).

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the unaudited loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,571,359,420 (2022: 1,571,359,420) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 September 2023 (2022: Nil) in respect of a dilution as the share options and convertible bonds of the Company outstanding during the period had no dilutive effect on the basic loss per share amount presented.

The effect of dilution from share options and convertible bonds for the six months ended 30 September 2023 is shown below.

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

	For the six months ended	
	30 September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<b><u>135,216</u></b>	<b><u>157,586</u></b>

	<b>Number of shares</b>	
	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	<b>1,571,359,420</b>	1,571,359,420
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
Convertible bonds	–	–
	<u><b>1,571,359,420</b></u>	<u>1,571,359,420</u>

## 10. TRADE RECEIVABLES

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

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within 30 days	<b>57,708</b>	12,654
31 to 60 days	<b>7,210</b>	3,967
61 to 90 days	<b>3,254</b>	3,073
Over 90 days	<b>21,847</b>	11,219
	<u><b>90,019</b></u>	<u>30,913</u>

For restaurant, bakery and hotel operations, the Group's trading terms with its customers are mainly on demand or settlements by major credit/debit cards or electronic/mobile payment methods are normally required. 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 receivables balances. Overdue balances are reviewed regularly by senior management.

Trade receivables are non-interest-bearing.

## 11. TRADE PAYABLES

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

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	(Audited)
Within 30 days	<b>35,230</b>	24,744
31 to 60 days	<b>12,173</b>	6,883
61 to 90 days	<b>1,946</b>	5,828
Over 90 days	<b>18,320</b>	19,364
	<b>67,669</b>	56,819

Trade payables are non-interest-bearing and repayable within the normal operating cycle.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECT**

#### **OVERALL RESULTS**

For the six months ended 30 September 2023, the Group's turnover was HK\$366,316,000 (2022: HK\$379,115,000), decreased by 3% from the same period last year. The Group's loss attributable to shareholders was HK\$135,216,000 as compared to a loss attributable to shareholders of HK\$157,586,000 from the same period last year. The decrease in turnover was mainly attributable to the decrease in the food business turnover during the period. The decrease in loss attributable to shareholders was mainly due to the combined effect of the decrease in the exchange loss on investment property valuation of approximately HK\$51 million and the increase in the finance cost of approximately HK\$30 million as compared to the same period last year.

#### **PROPERTY**

Turnover of property segment for the period ended 30 September 2023 was HK\$53,950,000 (2022: HK\$55,509,000), a decrease of 3% from the same period last year. The Group's rental income from investment properties for the period was HK\$49,229,000 (2022: HK\$51,785,000), a decrease of 5% from the same period last year. There was no major change in the investment property portfolio and rental income of the Group for the period. The decrease in turnover and rental income was mainly due to exchange effect on the devaluation of Renminbi against Hong Kong dollars as compared to the same period last year. Segment loss for the period was HK\$65,724,000 as compared to a loss of HK\$136,212,000 from the same period last year. The segment loss was mainly attributable to the impact of exchange loss before tax on investment property valuation of HK\$79 million due to devaluation of Renminbi against Hong Kong dollars during the period. The decrease in segment loss was mainly due to the decrease of exchange loss before tax on investment property valuation of HK\$68 million from the same period last year.

The Group's 50% owned Dongguan Home Town project is in full operation, comprising the east tower of home furniture and building materials centre with a total floor area of 109,000 sq.m. and the west and north towers of community and shopping mall with a total area of 164,000 sq.m. The occupancy has improved during the period as new brand name shops were introduced to the shopping centre, with new tenancy contracts signed.

The Guangzhou South Station Property, a high grade commercial tower comprising the ground floor lobby, all office units from 3rd to 13th floors and 75 car parking spaces at the basement level with a total gross floor area of the office units is 9,203 sq.m., continued to contribute to the Group in rental income for the period. The office building has achieved 100% occupancy to date.

The Group's 50% owned Haitan Street re-development project, which is situated at 223-225A Haitan Street, Sham Shui Po, Hong Kong has completed its construction and obtained the occupation permit. 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. The residential building comprises 115 residential units and 2 floors of commercial shops. The pre-sale of the residential units has commenced in July 2022 and more than 40 units have been sold to date.

The Group's another 50% owned Castle Peak Road redevelopment project, which is situated at 300-306 Castle Peak Road, Sham Shui Po, Hong Kong has also commenced its construction stage of development. The project comprises 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. The associate has successfully acquired 100% of the property ownerships of the Phase 1 development. Site investigation and demolition works have commenced in the second quarter of 2023. The project is expected to complete by mid-2026.

## **RESTAURANT, FOOD AND HOTEL**

Turnover of restaurant, food and hotel segment for the period ended 30 September 2023 was HK\$312,366,000 (2022: HK\$323,606,000), a decrease of 3% from the same period last year. The decrease was mainly attributable to the decrease in food business, which was compensated by the increase in the restaurant business in both Hong Kong and Mainland. Segment loss for the period was HK\$3,187,000 as compared to a profit of HK\$22,635,000 from the same period last year. The decrease was mainly due to reduction of moon cake sales during the period.

Restaurant turnover for the period was HK\$168,395,000 (2022: HK\$126,446,000), an increase of 33% from the same period last year. The restaurant business both in Hong Kong and Mainland experienced a sharp rebound following the lifting of COVID-19 pandemic restrictions and the re-opening of Hong Kong-Mainland borders since beginning of 2023. Restaurant business has recorded an operating profit of HK\$6,360,000 as compared to a loss of HK\$7,408,000 for the same period last year. The post-epidemic economic recovery and thus the resumption of catering consumption has benefited the restaurant business during the period.



Food business turnover for the period was HK\$129,333,000 (2022: HK\$186,074,000), a decrease of 30% from the same period last year. The decrease in food business turnover mainly came from the decrease in moon cake sales this year. The advanced Hainan food factory has a site area of 29,968 sq.m. and a total floor area of 58,114 sq.m. The advanced automatic moon cake production line is in full operation. The bread production line is also in operation. Besides, the factory is expected to produce packaged Hainan style food and Chinese-style dry meat products. Management believes that the food business will continue to contribute to the Group's profitability and growth.

The Group's bakery business in Hong Kong recorded an increase of 1% in sales to HK\$64,836,000 from the same period last year. Profit Smart group has recorded a profit of HK\$2,697,000 (2022: HK\$6,047,000) during the period, a decrease of 55% from the same period last year. The decrease was mainly due to the government subsidies received from the same period last year. Management will continue to strengthen product development and introduce more new products with the aim to boost sales. Profit Smart group has undergone a renovation of the production areas and acquisition of additional equipment to increase its production capacity.

Hotel business has recorded a turnover of HK\$14,638,000 (2022: HK\$11,086,000), an increase of 32% from the same period last year. The operating loss of the two hotels for the period was HK\$8,581,000 (2022: HK\$8,766,000), decreased by 2% from the same period last year. Both hotels have achieved positive operating cash flows during the period.

## **OUTLOOK**

With the lifting of COVID-19 pandemic restrictions and the re-opening of Hong Kong-Mainland borders, the economy is steadily recovering but the pace of recovery in the Hong Kong and Mainland markets is slower than initially expected. While there are still economic uncertainties – inflation, high interest rates, China's property market crisis, and geopolitical tensions with Russian-Ukrainian war and Israeli-Palestinian conflict, the global economic situation has become increasingly complex and the business environment is still challenging. The Group remains cautiously optimistic about the economic outlook for the coming year.

Management will continue to focus its business development in the Greater Bay Area. Management is of the view that demand and consumer spending will remain strong and sustainable in the area. The Group will leverage on its established branding and reputation of the “Carrianna” Chao Zhou and “Shun Yi” Shunde cuisine and will continue to expand its restaurant business steadily in the region. More “Carrianna” Chao Zhou and “Shun Yi” Shunde cuisine restaurants will be opened in the coming year.

On the property development side, the investment property portfolio in the Mainland and Hong Kong continues to provide steady income flow to the Group. While there is recent sluggishness of the Hong Kong property market, management believes that the limited land supply and strong end-user demand will continue to provide support to the residential property market in the long run. With the issuance of the occupation permit and the completion of construction of the Haitan Street re-development project in Shum Shui Po, management is optimistic on the further sale of the remaining residential units.

Building on the solid foundation of the Group’s food business and capacity of the production facilities, the Group will continue to expand its food business in the Mainland market. Besides the Carrianna mooncake, the bread production line of the advanced Hainan food factory is also in operation. The factory is also expected to produce packaged Hainan style food and Chinese style dry meat products. The Group will introduce more new products and elements in the sector. Management believes that food business will become the Group’s another key driver of profitability and growth in the next few years.

The Group anticipates that the prevailing high interest rates will persist for a consideration duration, which has increased significantly operating costs of the Group. To mitigate that, the Group remains committed to implementing stringent cost control measures and enhancing workflow efficiency in its operations. The Group will keep monitoring the market situation and adjust its business strategies in response to market changes to increase its competitiveness and to sustain business growth in our operating markets in Hong Kong and Mainland.

## **FINANCIAL REVIEW**

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2023, the Group’s consolidated net assets after deduction of non-controlling interests was HK\$3,218,998,000 (31 March 2023: HK\$3,585,202,000) and consolidated net assets after deduction of non-controlling interests per share was HK\$2.05 (31 March 2023: HK\$2.28).

As at 30 September 2023, the Group's free cash and bank balances amounted to HK\$259,282,000 (31 March 2023: HK\$287,707,000), which were denominated in Hong Kong dollars, Renminbi and United States dollars of HK\$20,793,000, HK\$238,457,000 and HK\$32,000 respectively.

As at 30 September 2023, the Group's bank borrowings and convertible bonds amounted to HK\$1,744,777,000 (31 March 2023: HK\$1,699,047,000) and HK\$71,914,000 (31 March 2023: HK\$57,988,000) respectively. All interest-bearing bank borrowings bear interest at floating rates. The convertible bonds bear interest at 6% per annum. Netting off cash deposits pledged for borrowings, the Group's net borrowings were HK\$1,782,895,000 (31 March 2023: HK\$1,723,467,000). Net borrowings less free cash and bank balances were HK\$1,523,613,000 (31 March 2023: HK\$1,435,760,000).

The Group's gearing ratio, which was defined as the Group's interest-bearing bank borrowings and convertible bonds, net of cash and bank balances and pledged time deposits as a percentage of the Group's total equity, was approximately 47.3% (31 March 2023: 40.0%).

The Group adopts a 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 period 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, management will utilize it for appropriate investments in accordance with the Group's strategies and directions from the Board.

## **FOREIGN EXCHANGE EXPOSURE**

The Group mainly operates in Hong Kong and Mainland China with most of the Group's monetary assets, liabilities and transactions principally denominated in Hong Kong Dollars and Renminbi, respectively. Majority of the sales, purchases and expenditure incurred by the operating units of the Group were denominated in the units' functional currencies and as a result, the Group does not anticipate significant transactional currency exposures.

## **CHARGES ON THE GROUP'S ASSETS**

As at the end of the reporting period, certain of the Group's properties, 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\$1,937,989,000 (31 March 2023: HK\$2,030,345,000) 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.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2023, the Group's staff consisted of approximately 400 employees in Hong Kong and approximately 1,100 employees outside Hong Kong. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Lo Ming Chi, Charles (Chairman), Mr. Wong See King and Mr. Cheung Wah Fung, Christopher.

The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process, internal controls and review of the Group's financial statements.

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 unaudited interim condensed consolidated financial statements for the six months ended 30 September 2023.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code for securities transactions by directors of the Company. Following specific enquiry by the Company, the directors have confirmed that they have complied with the required standard under the Model Code for the six months ended 30 September 2023.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

In the opinion of the directors, the Company has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2023 save as disclosed below.

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 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 bye-laws of the Company and their terms of appointment are reviewed when they are due for re-election.

## **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 six months ended 30 September 2023.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim results announcement is published on the websites of the Company (<http://www.carrianna.com>) and the Stock Exchange (<http://www.hkex.com.hk>) respectively. The 2023/2024 interim 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.

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

Hong Kong, 29 November 2023

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