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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 RESULTS  
 FOR THE YEAR ENDED 31 MARCH 2024**

**RESULTS**

The board of directors (the “Board”) of Carrianna Group Holdings Company Limited (the “Company”) wishes to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2024, together with the comparative figures for the previous year, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*Year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>REVENUE</b>	3	<b>661,856</b>	683,482
Cost of sales		<u>(398,069)</u>	<u>(384,589)</u>
Gross profit		<b>263,787</b>	298,893
Other income and gains, net		<b>48,714</b>	67,658
Selling and distribution expenses		<b>(141,847)</b>	(136,163)
General and administrative expenses		<b>(119,075)</b>	(150,826)
Other expenses, net		<b>(123,695)</b>	(132,658)
Finance costs	4	<b>(127,036)</b>	(84,283)
Share of losses of associates		<u>(64,870)</u>	<u>(48,066)</u>
<b>LOSS BEFORE TAX</b>	5	<b>(264,022)</b>	(185,445)
Income tax credit	6	<u>2,933</u>	<u>15,712</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(261,089)</b></u>	<u>(169,733)</u>

	<i>Notes</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
Attributable to:			
Owners of the parent		<b>(250,250)</b>	(175,680)
Non-controlling interests		<b><u>(10,839)</u></b>	<u>5,947</u>
		<b><u><u>(261,089)</u></u></b>	<b><u><u>(169,733)</u></u></b>
 <b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
	<i>8</i>		
– Basic		<b><u><u>HK cents (15.93)</u></u></b>	<b><u><u>HK cents (11.18)</u></u></b>
– Diluted		<b><u><u>HK cents (15.93)</u></u></b>	<b><u><u>HK cents (11.18)</u></u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>LOSS FOR THE YEAR</b>	<u>(261,089)</u>	<u>(169,733)</u>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(145,950)	(195,887)
Share of other comprehensive loss of associates	<u>(15,310)</u>	<u>(79,528)</u>
	<u>(161,260)</u>	<u>(275,415)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	<u>(66,414)</u>	<u>(24,118)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>	<u>(227,674)</u>	<u>(299,533)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><u>(488,763)</u></u>	<u><u>(469,266)</u></u>
Attributable to:		
Owners of the parent	(475,748)	(474,133)
Non-controlling interests	<u>(13,015)</u>	<u>4,867</u>
	<u><u>(488,763)</u></u>	<u><u>(469,266)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>629,138</b>	858,120
Investment properties		<b>2,232,073</b>	2,329,752
Right-of-use assets		<b>107,477</b>	137,587
Goodwill		<b>28,162</b>	52,581
Interests in associates		<b>1,175,813</b>	976,948
Equity investment designated at fair value through other comprehensive income		<b>43,054</b>	95,868
Properties under development		<b>314,303</b>	321,756
Deferred tax assets		<b>34,269</b>	20,964
Other receivables, deposits and prepayments		<b>22,764</b>	34,066
		<hr/>	<hr/>
Total non-current assets		<b>4,587,053</b>	4,827,642
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>408,789</b>	449,774
Inventories		<b>34,380</b>	30,082
Tax recoverable		<b>3,954</b>	4,120
Trade receivables	9	<b>31,596</b>	30,913
Other receivables, deposits and prepayments		<b>316,713</b>	381,529
Due from directors		<b>5,133</b>	2,765
Due from an associate		<b>354,064</b>	283,038
Financial assets at fair value through profit or loss		<b>35,309</b>	124,238
Equity investment designated at fair value through other comprehensive income		<b>17,329</b>	33,663
Restricted cash		–	32
Pledged time deposits		<b>34,785</b>	33,568
Cash and bank balances		<b>127,369</b>	287,707
		<hr/>	<hr/>
		<b>1,369,421</b>	1,661,429
Assets classified as held for sale		<b>178,437</b>	–
		<hr/>	<hr/>
Total current assets		<b>1,547,858</b>	1,661,429

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>10</i>	<b>(50,046)</b>	(56,819)
Other payables, accruals and deposits received		<b>(193,865)</b>	(227,484)
Convertible bonds		<b>(76,971)</b>	(57,988)
Due to directors		<b>(660)</b>	(3,067)
Due to non-controlling shareholders		<b>(38,770)</b>	(37,956)
Interest-bearing bank borrowings		<b>(1,450,391)</b>	(1,189,482)
Lease liabilities		<b>(34,747)</b>	(36,366)
Deferred income		<b>(28,230)</b>	(31,213)
Tax payable		<b>(291,531)</b>	(306,710)
		<b>(2,165,211)</b>	(1,947,085)
Liabilities directly associated with the assets classified as held for sale		<b>(226,696)</b>	–
Total current liabilities		<b>(2,391,907)</b>	(1,947,085)
<b>NET CURRENT LIABILITIES</b>		<b>(844,049)</b>	(285,656)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,743,004</b>	4,541,986
<b>NON-CURRENT LIABILITIES</b>			
Accruals and deposits received		<b>(12,748)</b>	(6,779)
Interest-bearing bank borrowings		<b>(209,644)</b>	(509,565)
Lease liabilities		<b>(71,062)</b>	(81,782)
Deferred income		<b>(75,085)</b>	(82,678)
Deferred tax liabilities		<b>(274,919)</b>	(271,293)
Provisions		<b>(4,254)</b>	(4,687)
Total non-current liabilities		<b>(647,712)</b>	(956,784)
Net assets		<b>3,095,292</b>	3,585,202
<b>EQUITY</b>			
<i>Equity attributable to owners of the parent</i>			
Issued capital		<b>157,136</b>	157,136
Reserves		<b>2,959,080</b>	3,434,828
		<b>3,116,216</b>	3,591,964
Non-controlling interests		<b>(20,924)</b>	(6,762)
Total equity		<b>3,095,292</b>	3,585,202

# NOTES

31 March 2024

## 1.1 BASIS OF PREPARATION

The 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”) 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 and certain financial assets which have been measured at fair value. The 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.

### Going concern basis

During the year ended 31 March 2024, the Group recorded a net loss of approximately HK\$261,089,000 (2023: HK\$169,733,000) and as at 31 March 2024, the Group’s current liabilities exceeded its current assets by approximately HK\$844,049,000 (2023: HK\$285,656,000). As at 31 March 2024, included in its current liabilities were interest-bearing borrowings drawn down from banking facilities totalling approximately HK\$1,450,391,000, among which approximately HK\$835,324,000 were drawn down under revolving loan facilities, of which the Group could roll over the facilities in the next twelve months generally.

In preparing the consolidated financial statements, the Directors have given careful consideration of the liquidity requirement for the Group’s operations, the performance of the Group and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group’s cash flow projections prepared by management which covers a period of twelve months from 31 March 2024. The Directors have taken into account the following plans and measures in assessing the sufficiency of working capital requirements in the foreseeable future:

- (a) Subsequent to the end of the reporting period and up to the date of this report, the Group has refinanced the existing banking facilities of approximately HK\$61.8 million;

- (b) Ignoring the effect of any repayment on-demand clauses, interest-bearing borrowings of HK\$306.8 million which were classified as current liabilities as at 31 March 2024 would have become non-current liabilities and will be settled in accordance with the maturity dates as set out in the banking facility letters;
- (c) Subsequent to the end of the reporting period, the Group has entered into the sale and purchase agreement in relation to the disposal of the entire equity interest in 益陽佳寧娜國際酒店管理有限公司 (Yiyang Carrianna International Hotel Management Company Limited) and the net proceeds from the disposal are estimated to be approximately RMB111.9 million (equivalent to approximately HK\$120.7 million) which are to be received upon the completion of the transaction before 20 October 2024;
- (d) Based on the existing signed sale and purchase agreements to date, the Group expects to receive the net proceeds of approximately HK\$51.8 million between August and October 2024 from sale of the residential units of the Haitan Street re-development project; and
- (e) The Group will have the financial resources reasonably available from the internally generated funds from operations, proceeds from disposal of assets and cash and bank balances of the Group.

Based on the above, the Directors consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 March 2024. Accordingly, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs that are applicable to the Group for the first time for the current year's financial statements.

HKFRS 17	<i>Insurance Contracts</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 – Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 April 2023. Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.



- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to 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/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, unallocated other income and gains, net, 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 at the then prevailing market prices.

**Year ended 31 March 2024**

	<b>Restaurant, food and hotel HK\$'000</b>	<b>Property investment and development HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue (note 3)</b>			
Revenue from external customers	559,291	102,565	661,856
Intersegment revenue	2,751	7,682	10,433
	<u>562,042</u>	<u>110,247</u>	<u>672,289</u>
<i>Reconciliation:</i>			
Elimination of intersegment revenue			<u>(10,433)</u>
Total revenue			<u><u>661,856</u></u>
<b>Segment results</b>	<b>(73,781)</b>	<b>(45,087)</b>	<b>(118,868)</b>
<i>Reconciliation:</i>			
Bank interest income			10,607
Unallocated other income and gains, net			11,762
Corporate and unallocated expenses			(40,487)
Finance costs			<u>(127,036)</u>
Loss before tax			<u><u>(264,022)</u></u>
<b>Other segment information</b>			
Changes in fair value of investment properties, net	–	38,047	38,047
Share of losses of associates	–	64,870	64,870
Other interest income	–	(17,976)	(17,976)
Impairment of trade receivables, net	2,943	–	2,943
Reversal of impairment of other receivables, net	–	(163)	(163)
Impairment of goodwill	24,419	–	24,419
Depreciation of property, plant and equipment			
– segment	53,499	12,742	66,241
– unallocated			<u>2,189</u>
			<u><u>68,430</u></u>
Depreciation of right-of-use assets	38,354	–	38,354
Capital expenditure			
– segment	26,323	10,948	37,271
– unallocated			<u>2,379</u>
			<u><u>39,650*</u></u>

\* Capital expenditure consists of additions to property, plant and equipment.

**Year ended 31 March 2023**

	Restaurant, food and hotel <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue (note 3)</b>			
Revenue from external customers	574,461	109,021	683,482
Intersegment revenue	<u>2,106</u>	<u>4,661</u>	<u>6,767</u>
	576,567	113,682	690,249
<i>Reconciliation:</i>			
Elimination of intersegment revenue			<u>(6,767)</u>
Total revenue			<u><u>683,482</u></u>
<b>Segment results</b>			
	8,970	(96,642)	(87,672)
<i>Reconciliation:</i>			
Bank interest income			3,528
Unallocated other income and gains, net			2,772
Corporate and unallocated expenses			(19,790)
Finance costs			<u>(84,283)</u>
Loss before tax			<u><u>(185,445)</u></u>
<b>Other segment information</b>			
Changes in fair value of investment properties, net	–	90,003	90,003
Share of losses of associates	–	48,066	48,066
Other interest income	–	(33,397)	(33,397)
Impairment/(reversal of impairment) of trade receivables, net	4,235	(1,737)	2,498
Impairment of other receivables, net	–	18,373	18,373
Impairment of goodwill	11,889	–	11,889
Depreciation of property, plant and equipment			
– segment	67,517	23,952	91,469
– unallocated			<u>1,718</u>
			<u><u>93,187</u></u>
Depreciation of right-of-use assets	39,682	332	40,014
Capital expenditure			
– segment	99,789	1,261	101,050
– unallocated			<u>–</u>
			<u><u>101,050*</u></u>

\* Capital expenditure consists of additions to property, plant and equipment and investment properties.

## Geographical information

### *Revenue from external customers*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	229,051	285,742
Mainland China	<u>432,805</u>	<u>397,740</u>
	<u><b>661,856</b></u>	<u><b>683,482</b></u>

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

### Information about major customers

No revenue from any single external customer accounted for 10% or more of the Group's total revenue for the year ended 31 March 2024 and 2023.

## 3. REVENUE

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Income from restaurant, food and hotel businesses	559,291	574,461
Proceeds from the sale of properties, property management service income and commission income	<u>2,293</u>	<u>12,976</u>
	<u><b>561,584</b></u>	<u><b>587,437</b></u>
<i>Revenue from other sources</i>		
Gross rental income	<u>100,272</u>	<u>96,045</u>
	<u><b>661,856</b></u>	<u><b>683,482</b></u>

#### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	119,804	77,514
Interest on convertible bonds	2,193	2,079
Interest on lease liabilities	5,039	4,690
	<u>127,036</u>	<u>84,283</u>

#### 5. LOSS BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Government subsidies	–	(10,199)
Depreciation of property, plant and equipment	68,430	93,187
Depreciation of right-of-use assets	38,354	40,014
Impairment/(reversal of impairment) of		
– trade receivables, net*	2,943	2,498
– other receivables, net*	(163)	18,373
– property, plant and equipment and right-of-use assets*	7,856	–
Changes in fair value of investment properties, net*	38,047	90,003
Fair value losses, net:*		
Financial assets at fair value through profit or loss		
– held for trading	16,067	7,674
Fair value loss on redemption option of convertible bonds*	17,465	–
Loss on modification of convertible bonds*	2,363	–
Bank interest income	(10,607)	(3,528)
Investment interest income	(3,926)	(2,081)
Other interest income	(17,976)	(33,397)
Dividend income from financial assets at fair value		
through profit or loss	(1,654)	(3,323)
Loss on disposal/write-off of items of		
property, plant and equipment, net*	492	3,194
Impairment of goodwill*	24,419	11,889
Gain on lease modification	(215)	(733)
Gain on lease termination	–	(2,115)
	<u>–</u>	<u>(2,115)</u>

\* Included in “Other expenses, net” as appropriate, in the consolidated statement of profit or loss.

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 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 profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable in Mainland China have been calculated at the relevant rates of tax prevailing in Mainland China in which the Group operates.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	773	241
Current – Mainland China		
Corporate income tax	22,356	21,059
Overprovision in prior years	(19,091)	(11,655)
Deferred	<u>(6,971)</u>	<u>(25,357)</u>
Total tax credit for the year	<u><u>(2,933)</u></u>	<u><u>(15,712)</u></u>

## 7. DIVIDEND

The Board does not recommend the payment of a final dividend in respect of the year ended 31 March 2024 (2023: Nil).

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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,571,359,420 (2023: 1,571,359,420) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2024 and 2023 in respect of a dilution as the impact of the convertible bonds and share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	<u>(250,250)</u>	<u>(175,680)</u>
	<b>Number of shares</b>	
	2024	2023
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and dilutive loss per share calculation	<u>1,571,359,420</u>	<u>1,571,359,420</u>

## 9. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	58,809	56,160
Impairment	<u>(27,213)</u>	<u>(25,247)</u>
	<u>31,596</u>	<u>30,913</u>

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 credit terms of 30 to 90 days, 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 receivables. Overdue balances are reviewed regularly by senior management.

Generally, the Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>12,038</b>	12,654
31 to 60 days	<b>5,481</b>	3,967
61 to 90 days	<b>2,863</b>	3,073
Over 90 days	<b>11,214</b>	11,219
	<u><b>31,596</b></u>	<u>30,913</u>

#### **10. TRADE PAYABLES**

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>21,631</b>	24,744
31 to 60 days	<b>4,567</b>	6,883
61 to 90 days	<b>6,714</b>	5,828
Over 90 days	<b>17,134</b>	19,364
	<u><b>50,046</b></u>	<u>56,819</u>

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### PROPERTY

Turnover of property segment for the year ended 31 March 2024 was HK\$102,565,000 (2023: HK\$109,021,000), a decrease of 6% from last year. The decrease was mainly attributable to the decrease in sale of property income which was partly compensated by the increase in rental income during the year. The Group's rental income from investment properties for the year was HK\$100,272,000 (2023: HK\$96,045,000), an increase of 4% from last year. There was no major change in the investment property portfolio of the Group for the year. The increase in rental income was as a result of the gradual resumption of tenancy business to normal as the restrictions of COVID-19 were uplifted. Segment loss for the year was HK\$45,087,000 (2023: HK\$96,642,000), reduced by HK\$51,555,000 from last year. The decrease in segment loss was mainly attributable to: (i) the decrease in net loss on investment property valuation of HK\$51,956,000 from last year; (ii) the increase in operating profit of the property rental and sale business of HK\$16,403,000; and (iii) the increase in share of associates' losses of HK\$16,804,000 mainly due to impairment loss of the Haitan Street re-development project.

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 year 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 year. 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. 96 residential 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. Site investigation and demolition works have completed in April 2024. The project is expected to be completed by end of 2026.

## **RESTAURANT, FOOD AND HOTEL**

Turnover of restaurant, food and hotel segment for the year ended 31 March 2024 was HK\$559,291,000 (2023: HK\$574,461,000), a decrease of 3% from 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 year was HK\$73,781,000 as compared to a profit of HK\$8,970,000 from last year. The decrease was mainly due to (i) the operating loss in food business due to the decrease in sale of food products; and (ii) the impairment of goodwill and right-of-use assets due to downsizing of the Hong Kong style "Cha Chaan Teng" (茶餐廳) restaurant business, which was compensated by the increase in operating profit of the "Carrianna" Chao Zhou and "Shun Yi" Shunde cuisine restaurant business during the year.

Restaurant turnover for the year was HK\$315,653,000 (2023: HK\$270,267,000), an increase of 17% from 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 loss of HK\$33,408,000 as compared to a loss of HK\$559,000 from last year. The increase in operation loss was mainly attributable to the downsizing of the Hong Kong style “Cha Chaan Teng” (茶餐廳) restaurant business, which was affected by the change in “going-north” consumption pattern by the Hong Kong people. The “Carrianna” Chao Zhou and “Shun Yi” Shunde cuisine restaurants have performed well and recorded an operating profit of HK\$11,676,000 during the year.

Food business turnover for the year was HK\$218,446,000 (2023: HK\$283,257,000), a decrease of 23% from last year. The decrease in food business turnover mainly came from the decrease in sale of food products 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 2% in sales to HK\$132,336,000 from last year. The Group’s subsidiary Profit Smart group has recorded a profit of HK\$5,546,000 (2023: HK\$8,441,000) during the year, a decrease of 34% from 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\$25,192,000 (2023: HK\$20,937,000), an increase of 20% from last year. The operating loss of the two hotels for the year was HK\$16,344,000 (2023: HK\$18,929,000), decreased by 14% from last year. Both hotels have achieved positive operating cash flows during the year.

## 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 was 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 Hong Kong's property relaxation measures announced by the government at end of February 2024, the Group's 50% owned Haitan Street re-development project in Shum Shui Po has recorded a further sale of more than 50 residential units to 96 in total to date. Management is optimistic on the sale of the remaining residential units in the coming months.

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**

### **Overall Results**

For the year ended 31 March 2024, the Group's turnover was HK\$661,856,000 (2023: HK\$683,482,000), decreased by 3% as compared to last year. The Group's loss attributable to shareholders was HK\$250,250,000 as compared to a loss attributable to shareholders of HK\$175,680,000 from last year. The slight decrease in turnover was mainly attributable to the decrease in the food business turnover which was largely offset by the increase in restaurant business turnover during the year. The increase in loss attributable to shareholders was mainly due to the combined effect of (i) increase in the finance costs due to the increase in interest rates in bank borrowings; (ii) the impairment of goodwill and right-of-use assets due to downsizing of the Hong Kong style "Cha Chaan Teng" (茶餐廳) restaurant business; and (iii) the operating loss in food business due to the decrease in sale of food products.

### **Liquidity and Financial Resources**

As at 31 March 2024, the Group's consolidated net assets after deduction of non-controlling interests was HK\$3,095,292,000 (31 March 2023: HK\$3,585,202,000) and consolidated net assets after deduction of non-controlling interests per share was HK\$1.97 (31 March 2023: HK\$2.28).

As at 31 March 2024, the Group's cash and bank balances amounted to HK\$127,369,000 (2023: HK\$287,707,000), which were denominated in Hong Kong dollars, Renminbi and United States dollars of HK\$31,448,000, HK\$90,634,000 and HK\$5,287,000, respectively. The Group's free cash and bank balances amounted to HK\$127,369,000 (2023: HK\$287,707,000).

As at 31 March 2024, the Group's bank borrowings and convertible bonds amounted to HK\$1,660,035,000 (2023: HK\$1,699,047,000) and HK\$76,971,000 (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\$1,702,221,000 (2023: HK\$1,723,467,000). Net borrowings less free cash and bank balances were HK\$1,574,852,000 (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 net of debit reserves, was approximately 42.8% (2023: 36.5%).

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

### **Contingent liabilities**

As at the end of the reporting period, the Group had no contingent liabilities relating to guarantees given to banks for mortgage loan facilities granted to purchasers of properties (2023: Nil).

### **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, time deposits and financial assets at fair value through profit or loss with a total carrying value of approximately HK\$1,977,504,000 (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.

### **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 2024 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. 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 320 employees in Hong Kong and approximately 1,100 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**

### **Major Transaction in relation to disposal of the entire equity interest in 益陽佳寧娜國際酒店管理有限公司 (Yiyang Carrianna International Hotel Management Company Limited)**

On 26 April 2024, Carrianna Chinese Food (HK) Limited (“Carrianna (HK)”) (being an indirect wholly-owned subsidiary of the Company) and 佳寧娜(佛山)企業有限公司 (Carrianna (Foshan) Enterprise Co., Ltd.) (“Carrianna (Foshan)”) (being a direct wholly-owned subsidiary of the Company) (together as “Vendors”), 益陽半島酒店管理有限公司 (Yiyang Bandao Hotel Management Company Limited) (the “Purchaser”), 益陽佳寧娜國際酒店管理有限公司 (Yiyang Carrianna International Hotel Management Company Limited) (the “Disposal Company”) and the Company as guarantor entered into the Sale and Purchase Agreement in relation to the disposal of the entire equity interest (the “Sale Equity Interest”) in the Disposal Company after the Capital Injection (as defined below) (the “Disposal”). Pursuant to the Sale and Purchase Agreement, the Vendors agreed to sell, and the Purchaser agreed to purchase, the Sale Equity Interest for an aggregate consideration of RMB130 million (equivalent to approximately HK\$140.2 million) subject to the terms of the Sale and Purchase Agreement. As at the date of the Sale and Purchase Agreement, the Disposal Company is held as to 90% by Carrianna (HK) and 10% by 益陽市銀湘國有資產投資運營集團有限公司 (Yiyang Shi Yinxiang State Owned Assets Investment Operating Group Company Limited) (“Yiyang Shi Yinxiang”) and the Disposal Company is indebted to the subsidiaries of the Company in the aggregate amount of RMB187 million (equivalent to approximately HK\$201.7 million) (the “Debts”).

As set out in the Sale and Purchase Agreement for the sale and purchase of the Sale Equity Interest, (i) Carrianna (Foshan) will acquire 10% equity interest in the Disposal Company from Yiyang Shi Yinxiang; (ii) after Carrianna (Foshan) has acquired such 10% equity interest in the Disposal Company, Carrianna (Foshan) will inject capital in the amount of RMB187 million (equivalent to approximately HK\$201.7 million) which is equal to the amount of the Debts to the registered capital of the Disposal Company (the “Capital Injection”), thus resulting in a total registered capital of RMB287 million (equivalent to approximately HK\$309.6 million); and (iii) the Disposal Company will apply the amount of the Capital Injection to settle the Debts and enter into settlement agreements with the relevant subsidiaries of the Company.



Completion of the transaction shall take place before 20 October 2024. Upon completion, the Disposal Company will cease to be a subsidiary of the Group and the financial results of the Disposal Company will no longer be consolidated into those of the Group. A loss on the Disposal is estimated to be approximately RMB11 million (equivalent to approximately HK\$11.9 million).

The net proceeds from the Disposal are estimated to be approximately RMB111.9 million (equivalent to approximately HK\$120.7 million) after deducting the estimated consideration for the acquisition of 10% of the equity interest in the Disposal Company from Yiyang Shi Yinxiang and other relevant costs and expenses to be incurred by the Group. The Company intends to apply the net proceeds from the Disposal, of approximately RMB111.9 million (equivalent to approximately HK\$120.7 million), as to (i) approximately RMB74.2 million (equivalent to approximately HK\$80 million) for settlement of debts of the Group; and (ii) approximately RMB37.7 million (equivalent to approximately HK\$40.7 million) for general working capital of the Group.

Further details of the above were explained in the Company's announcement dated 26 April 2024 and the circular dated 18 June 2024.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend in respect of the year ended 31 March 2024 (2023: Nil).

## **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 Wednesday, 28 August 2024 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 Friday, 23 August 2024 to Wednesday, 28 August 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 22 August 2024.

## **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 has reviewed with 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 2024.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THIS 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 2024 as set out in this preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this 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 2024.

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, the directors have confirmed that they have complied with the required standard under the Model Code for the year ended 31 March 2024.

## **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 2024.

## **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 2024 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, 26 June 2024

*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.*