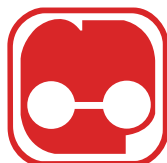


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**佳寧娜集團控股有限公司**  
**CARRIANNA GROUP HOLDINGS COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00126)**

**ANNOUNCEMENT OF RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**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 2016, together with the comparative figures for the previous year, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended 31 March 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
REVENUE	3	<b>867,178</b>	670,292
Cost of sales		<b>(481,922)</b>	(323,021)
Gross profit		<b>385,256</b>	347,271
Other income and gains, net		<b>101,844</b>	140,303
Selling and distribution expenses		<b>(171,221)</b>	(142,087)
General and administrative expenses		<b>(135,404)</b>	(118,999)
Other expenses, net		<b>(38,199)</b>	(10,418)
Finance costs	4	<b>(33,702)</b>	(32,681)
Share of profit/(loss) of an associate		<b>43,198</b>	(10,994)
PROFIT BEFORE TAX	5	<b>151,772</b>	172,395
Income tax expense	6	<b>(17,346)</b>	(15,132)
PROFIT FOR THE YEAR		<b>134,426</b>	157,263

	<i>Notes</i>	<b>2016</b> <b><i>HK\$'000</i></b>	2015 <i>HK\$'000</i>
Attributable to:			
Owners of the parent		<b>121,030</b>	120,744
Non-controlling interests		<b>13,396</b>	36,519
		<b>134,426</b>	157,263
		<b>HK cents</b>	HK cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	8		
Basic		<b>9.65</b>	9.66
Diluted		<b>9.64</b>	9.59

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>134,426</u>	<u>157,263</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	(130,629)	(138,967)
Exchange differences on translation of foreign operations	(109,053)	9,146
Reclassification adjustment on disposal of foreign operations	622	414
Share of other comprehensive income/(loss) of an associate	<u>(7,731)</u>	<u>1,068</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(246,791)</u>	<u>(128,339)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><u>(112,365)</u></u>	<u><u>28,924</u></u>
Attributable to:		
Owners of the parent	(116,912)	(8,269)
Non-controlling interests	<u>4,547</u>	<u>37,193</u>
	<u><u>(112,365)</u></u>	<u><u>28,924</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2016

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>600,060</b>	605,926
Investment properties		<b>1,563,410</b>	1,555,317
Prepaid land lease payments		<b>28,672</b>	31,212
Goodwill		<b>90,318</b>	72,145
Other intangible assets		<b>359,394</b>	359,394
Interests in associates		<b>400,936</b>	242,860
Available-for-sale investments		<b>250,969</b>	383,323
Financial assets at fair value through profit or loss		–	4,679
Properties under development		<b>941,640</b>	1,074,092
Debtors and deposits	<i>9</i>	<b>27,208</b>	–
Pledged time deposits		<b>86,818</b>	88,844
		<hr/>	<hr/>
Total non-current assets		<b>4,349,425</b>	4,417,792
<b>CURRENT ASSETS</b>			
Properties under development		<b>51,239</b>	186,081
Properties held for sale		<b>883,195</b>	814,344
Inventories		<b>25,686</b>	31,041
Debtors, deposits and prepayments	<i>9</i>	<b>224,655</b>	297,482
Loan to an associate		–	81,960
Due from directors		<b>13,696</b>	3,306
Due from non-controlling shareholders		<b>100</b>	7,083
Financial assets at fair value through profit or loss		<b>89,946</b>	33,745
Structured deposits		<b>14,490</b>	74,105
Restricted cash		<b>6,971</b>	10,712
Pledged time deposits		<b>16,888</b>	29,452
Cash and cash equivalents		<b>158,207</b>	229,248
		<hr/>	<hr/>
		<b>1,485,073</b>	1,798,559
Investment properties held for sale		–	47,530
		<hr/>	<hr/>
Total current assets		<b>1,485,073</b>	1,846,089

	<i>Notes</i>	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
<b>CURRENT LIABILITIES</b>			
Trade creditors	10	<b>(101,858)</b>	(116,343)
Sundry creditors, accruals and deposits received		<b>(343,862)</b>	(403,594)
Provisions		<b>(13,772)</b>	–
Due to directors		<b>(1,317)</b>	(11,960)
Due to non-controlling shareholders		<b>(36,939)</b>	(12,956)
Interest-bearing bank and other borrowings		<b>(652,885)</b>	(773,598)
Finance lease payables		–	(607)
Derivative financial instrument		–	(1,517)
Deferred income		<b>(21,962)</b>	(23,566)
Tax payable		<b>(205,227)</b>	(189,956)
Total current liabilities		<b><u>(1,377,822)</u></b>	<u>(1,534,097)</u>
<b>NET CURRENT ASSETS</b>		<b><u>107,251</u></b>	<u>311,992</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>4,456,676</u></b>	<u>4,729,784</u>
<b>NON-CURRENT LIABILITIES</b>			
Due to non-controlling shareholders		–	(21,576)
Interest-bearing bank and other borrowings		<b>(283,514)</b>	(231,820)
Derivative financial instrument		<b>(195)</b>	–
Deferred income		<b>(160,119)</b>	(169,998)
Deposits received		<b>(12,157)</b>	(11,277)
Provisions		<b>(12,882)</b>	–
Contingent consideration		–	(2,564)
Deferred tax		<b>(453,217)</b>	(474,971)
Total non-current liabilities		<b><u>(922,084)</u></b>	<u>(912,206)</u>
Net assets		<b><u><u>3,534,592</u></u></b>	<u><u>3,817,578</u></u>
<b>EQUITY</b>			
<i>Equity attributable to owners of the parent</i>			
Issued capital		<b>125,389</b>	124,989
Reserves		<b>3,312,459</b>	3,509,326
		<b>3,437,848</b>	3,634,315
Non-controlling interests		<b><u>96,744</u></b>	<u>183,263</u>
Total equity		<b><u><u>3,534,592</u></u></b>	<u><u>3,817,578</u></u>

Notes:

## 1.1 Basis of preparation

These 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 instruments, and certain financial assets which have been measured at fair value. These 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 time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of such business, the normal operating cycle is 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 revised standards for the first time for the current year’s financial statements.

*Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions*

*Annual Improvements to HKFRSs 2010-2012 Cycle*

*Annual Improvements to HKFRSs 2011-2013 Cycle*

The adoption of the above revised standards has had no significant financial impact on these financial statements.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

### 1.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>5</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>1</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>4</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
HKFRS 16	<i>Leases</i> <sup>3</sup>
Amendments to HKAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> <sup>1</sup>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

<sup>5</sup> The original effective date has been deferred/removed and a new effective date will be determined at a future date, and early application of the amendments continues to be permitted.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in on position to state whether these new and revised HKFRSs would have a significant impact on the Group's financial performance and financial position.

## **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 is engaged in restaurant and hotel operations and the provision of food and beverage services; and
- (b) the property investment and development segment comprises the development and sale of properties and the leasing of commercial and residential premises.

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 at the agreed prices.



**Year ended 31 March 2016/At 31 March 2016**

	<b>Restaurant, food and hotel HK\$'000</b>	<b>Property investment and development HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue:</b>			
Revenue from external customers	622,015	245,163	867,178
Intersegment revenue	1,507	4,651	6,158
	<u>623,522</u>	<u>249,814</u>	<u>873,336</u>
<i>Reconciliation:</i>			
Elimination of intersegment revenue			<u>(6,158)</u>
Total revenue			<u><u>867,178</u></u>
<b>Segment results</b>	<b>69,903</b>	<b>159,821</b>	<b>229,724</b>
<i>Reconciliation:</i>			
Bank interest income			5,475
Unallocated other income and gains, net			997
Corporate and other unallocated expenses			(50,722)
Finance costs			(33,702)
Profit before tax			<u><u>151,772</u></u>
<b>Other segment information:</b>			
Changes in fair value of investment properties, net	–	23,985	23,985
Gain on disposal of investment properties	–	7,729	7,729
Fair value losses on financial assets at fair value through profit or loss, net – unallocated			13,188
Fair value loss on derivative instruments – transactions not qualifying as hedges, net – unallocated			33
Share of profit of an associate	–	43,198	43,198
Loss on deregistration of subsidiaries	354	–	354
Gain on disposal of certain properties under development	–	20,885	20,885
Provision for onerous contracts	–	24,124	24,124
Equity-settled share option expense – segment – unallocated	–	412	412
			<u>2,368</u>
			<u>2,780</u>
Other interest income – segment – unallocated	–	4,918	4,918
			<u>5,510</u>
			<u>10,428</u>
Impairment of trade debtors, net	28	–	28
Recognition of prepaid land lease payments	782	–	782
Depreciation – segment – unallocated	35,214	4,572	39,786
			<u>2,252</u>
			<u>42,038</u>
Interests in associates	174	400,762	400,936
Capital expenditure – segment – unallocated	50,876	12,035	62,911
			<u>824</u>
			<u><u>63,735*</u></u>

\* Capital expenditure consists of additions to property, plant and equipment, excluding assets from the acquisition of subsidiaries.

**Year ended 31 March 2015/At 31 March 2015**

	Restaurant, food and hotel <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>			
Revenue from external customers	543,973	126,319	670,292
Intersegment revenue	1,306	6,770	8,076
	<u>545,279</u>	<u>133,089</u>	<u>678,368</u>
<i>Reconciliation:</i>			
Elimination of intersegment revenue			<u>(8,076)</u>
Total revenue			<u><u>670,292</u></u>
<b>Segment results</b>	94,509	121,516	216,025
<i>Reconciliation:</i>			
Bank interest income			7,314
Unallocated other income and gains, net			13,565
Corporate and other unallocated expenses			(31,828)
Finance costs			(32,681)
Profit before tax			<u><u>172,395</u></u>
<b>Other segment information:</b>			
Changes in fair value of investment properties, net	–	63,022	63,022
Gain on disposal of investment properties	–	22,514	22,514
Fair value gain on financial assets at fair value through profit or loss, net – unallocated			7,848
Fair value losses on derivative instruments – transactions not qualifying as hedges, net – unallocated			624
Share of loss of an associate	–	10,994	10,994
Gain on deregistration of subsidiaries	871	–	871
Equity-settled share option expense – segment – unallocated	–	210	210
			<u>749</u>
			<u>959</u>
Other interest income – segment – unallocated	–	4,918	4,918
			<u>1,362</u>
			<u>6,280</u>
Impairment of trade debtors, net	8,982	–	8,982
Recognition of prepaid land lease payments	839	–	839
Depreciation – segment – unallocated	28,403	8,419	36,822
			<u>2,428</u>
			<u>39,250</u>
Interests in associates	172	242,688	242,860
Capital expenditure – segment – unallocated	141,363	18,755	160,118
			<u>817</u>
			<u><u>160,935**</u></u>

\*\* *Capital expenditure consists of additions to property, plant and equipment and prepaid land lease payments, excluding assets from the acquisition of subsidiaries.*

***Geographical information***

*(a) Revenue from external customers*

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>281,669</b>	141,063
Mainland China	<b>585,509</b>	529,229
	<b><u>867,178</u></b>	<u>670,292</u>

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

*(b) Non-current assets*

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>254,292</b>	240,141
Mainland China	<b>3,730,138</b>	3,700,805
	<b><u>3,984,430</u></b>	<u>3,940,946</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

No revenue to any external customer accounted for 10% or more of the Group's total revenue for the years ended 31 March 2016 and 2015.

### 3. Revenue

Revenue represents gross restaurant and food business income and net invoiced value of goods sold, net of relevant business tax and allowances for trade discounts; income from rendering of hotel and other services; proceeds from sale of properties; and gross rental income received and receivable during the year.

An analysis of revenue is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Income from the hotel, restaurant and food businesses	622,015	543,973
Gross rental income	89,261	90,120
Proceeds from sale of properties	<u>155,902</u>	<u>36,199</u>
	<u><b>867,178</b></u>	<u><b>670,292</b></u>

### 4. Finance costs

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest in respect of:		
Bank loans, overdrafts and other loans	36,988	44,434
Finance leases	<u>12</u>	<u>49</u>
Total interest expense on financial liabilities		
not at fair value through profit or loss	37,000	44,483
Less: Interest capitalised	<u>(3,642)</u>	<u>(12,516)</u>
	<u><b>33,358</b></u>	<u><b>31,967</b></u>
Other finance costs:		
Increase in discounted amounts of contingent consideration arising from the passage of time	<u>344</u>	<u>714</u>
	<u><b>33,702</b></u>	<u><b>32,681</b></u>

## 5. Profit before tax

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

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Cost of inventories sold and services provided	<b>481,922</b>	323,021
Depreciation	<b>42,038</b>	39,250
Recognition of prepaid land lease payments	<b>782</b>	839
Impairment of trade debtors, net	<b>28</b>	8,982
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss		
– Held for trading	<b>11,152</b>	(6,062)
– Designated as such upon initial recognition	<b>2,036</b>	(1,786)
Derivative instruments – transactions not qualifying as hedges	<b>33</b>	624
Gain on disposal of investment properties	<b>(7,729)</b>	(22,514)
Changes in fair value of investment properties, net	<b>(23,985)</b>	(63,022)
Bank interest income	<b>(5,475)</b>	(7,314)
Other interest income	<b>(10,428)</b>	(6,280)
Gain on disposal of certain properties under development	<b>(20,885)</b>	–
Provision for onerous contracts	<b>24,124</b>	–
Loss/(gain) on deregistration of subsidiaries	<b>354</b>	(871)
Loss/(gain) on disposal of items of property, plant and equipment, net	<b>(316)</b>	212

## 6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	<b>1,296</b>	628
Current – Mainland China		
Corporate income tax	<b>43,166</b>	40,244
Land appreciation tax	<b>3,476</b>	871
Overprovision in prior years	<b>(10,453)</b>	(39,160)
Deferred	<b>(20,139)</b>	12,549
	<hr/>	<hr/>
Total tax charge for the year	<b>17,346</b>	15,132
	<hr/> <hr/>	<hr/> <hr/>

## 7. Dividends

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Proposed final – HK3 cents (2015: HK3 cents) per ordinary share	<b>37,617</b>	37,617
	<hr/> <hr/>	<hr/> <hr/>

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 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 1,253,734,531 (2015: 1,249,882,057) in issue during the year.

The calculation of the diluted earnings per share is based on the profit for the year 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, 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.

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

	<b>2016</b>	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b>121,030</b>	120,744
	<b>Number of shares</b>	
	<b>2016</b>	2015
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>1,253,734,531</b>	1,249,882,057
Effect of dilution – weighted average number of ordinary shares: Share options	<b>1,357,670</b>	8,573,413
	<b>1,255,092,201</b>	1,258,455,470

## 9. Debtors, deposits and prepayments

Included in the balance is an amount of HK\$83,757,000 (2015: HK\$88,352,000) representing the trade debtors of the Group.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade debtors	109,393	117,739
Impairment	<u>(25,636)</u>	<u>(29,387)</u>
	<u><b>83,757</b></u>	<u><b>88,352</b></u>

An aged analysis of such debtors as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current to 30 days	9,120	6,731
31 to 60 days	3,223	946
61 to 90 days	628	3,857
Over 90 days	<u>70,786</u>	<u>76,818</u>
	<u><b>83,757</b></u>	<u><b>88,352</b></u>

## 10. Trade creditors

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current to 30 days	92,849	104,045
31 to 60 days	3,331	6,132
61 to 90 days	1,580	2,207
Over 90 days	<u>4,098</u>	<u>3,959</u>
	<u><b>101,858</b></u>	<u><b>116,343</b></u>



## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

For the year ended 31 March 2016, the Group's turnover was HK\$867,178,000 (2015: HK\$670,292,000), increased by 29% from last year. The Group's profit attributable to shareholders was HK\$121,030,000 (2015: HK\$120,744,000), roughly the same as last year. Excluding property revaluation gain and related taxes, profit attributable to shareholders was HK\$99,703,000, increased by 40% from last year. Increase in turnover and profit attributable to shareholders were mainly due to revenue for property sales of Phase 3 of Grand Lake City project was booked during the year and the increase in revenue from Hong Kong restaurant and food businesses.

### Property

Turnover for property segment for the year ended 31 March 2016 was HK\$245,163,000 (2015: HK\$126,319,000), increased by 94% from last year. Segment profit was HK\$159,821,000 (2015: HK\$121,516,000), increased by 32% from last year. Excluding property revaluation gain and related taxes, segment profit was HK\$135,835,000 (2015: HK\$58,494,000), increased by 132% from last year. Increase in turnover was mainly due to property sales revenue increase in Grand Lake City project of Yiyang, Hunan Province by HK\$119,703,000 to HK\$155,902,000. In addition to increase in property sales revenue, associate company, South China International Purchasing Centre Company Limited, also provided profit contribution.

During the year, Phase 3 of Grand Lake City started to deliver completed properties to buyers and revenue was booked accordingly. Phase 3 of Grand Lake City has a total of 737 residential units with total area of approximately 40,000 sq.m. Average selling price was about RMB4,500 per square meter. Up to mid-June 2016, about 540 units had been sold with 366 units booked as revenue for this financial year. The remaining 200 units are expected to be sold before the end of the coming financial year ending 31 March 2017. On the other hand, Phase 4 of Grand Lake City, named as Peacock City, has completed construction planning and is planned to start construction in second half of 2016. Peacock City occupies 324,000 sq.m. of land with total construction area of 968,000 sq.m. of residential properties and shopping malls to be developed in 6 years. Stage 1 of Peacock City occupies 66,700 sq.m. of land with total construction area of about 200,000 sq.m., out of which 156,000 sq.m. will be residential units. Planned construction period is 18 months and is expected to be completed by early 2018. Sales of residential property is planned to start in mid 2017 with total forecasted sales revenue of RMB700 million.

The Group's 50 percent owned associate company, South China International Purchasing Centre Company Limited, develops the 'Home Town' project in Dongguan, which includes 410,000 sq.m. of furniture, construction materials and household goods mall and services apartment. Progress of the construction of the 4 six storeys shopping malls and 2 towers of services apartment of the project during the year was satisfactory. The 110,000 sq.m. east side shopping mall has passed preliminary government construction inspection and is undergoing internal decoration work. The central shopping mall will be developed as a Red Star Macalline furniture mall by Red Star Macalline Group after the land with construction in progress was sold to their Dongguan operating company during the year. The east side shopping mall is planned to start operation at the end of 2016 together with the Red Star Macalline furniture mall.

On the other hand, the north and west side shopping malls with total construction area of 160,000 sq.m. and 43,000 sq.m. respectively, 2 towers of services apartment have also been built to roof top. These two shopping malls are planned to start operation by end of 2017 or early 2018 and the services apartment is also planned to be delivered to buyers at the same time. Home Town project has 836 services apartments. As at mid June 2016, near 600 apartments were sold and the remaining units are expected to be all sold by early 2017. Sales revenue is expected to be over RMB400 million and is expected to be booked as revenue in financial year ending 31 March 2018. During the year, Home Town sold a piece of land of roughly 61,000 sq.m. together with construction in progress to the Dongguan operating company of Red Star Macalline Group and brought in RMB21,500,000 profit to the associate company.

During the year, investment properties of the Group continued to provide stable rental revenue. Total rental income was HK\$89,261,000 (2015: HK\$90,120,000), slightly reduced by 1% from last year due to depreciation of RMB against HKD. In RMB term, rental income actually increased by 2%. Carrianna Friendship Square rental income could only maintain the same level of last year due to slow down of the Shenzhen retail market. The major growth contributor of rental income was commercial properties of Grand Lake City in Yiyang, Hunan Province. For the coming year, rental income is expected to be stable.

## **Hotel, Restaurant and Food**

Turnover for restaurant, food and hotel segment for the year ended 31 March 2016 was HK\$622,015,000 (2015: HK\$543,973,000), increased by 14% from last year. Segment profit was HK\$69,903,000 (2015: HK\$94,509,000), reduced by 26% from last year. The increase in turnover were mainly due to contribution of 9 months sales HK\$66,235,000 from Profit Smart Group of food factory and bakeries which the Group completed acquisition on 1 July 2015 and the increase in turnover from Delicious restaurants by HK\$68,956,000 to HK\$165,114,000. Increase in turnover from these two businesses was partially offset by reduction in turnover from Carrianna restaurants and hotels operated in the mainland. Reduction in segment profit was mainly due to various one time adjustments of operating profit in last year amounting to HK\$32,702,000. These one time adjustments include write back of payables and provisions due to closure of Beijing, Wuhan, old Kunming and old Hainan Carrianna Restaurants, fair value gain from contingent consideration of Delicious Restaurants and other non-recurring income. Excluding these write-backs, recurring operating income of the segment actually increased by HK\$11,780,000, 13% from last year. Other than the increase in profit from Delicious and Profit Smart businesses, Carrianna mooncake profit also increased by 10% from last year. Carrianna restaurants operating results was roughly the same as last year while Carrianna hotels operating losses increased due to fierce competitions and government continued to control expenses in luxury star hotels.

For the coming year, the Group will continue to develop mass market food and restaurant businesses and mid-price business dining. The Group plans to expand the Hainan food factory and to add production line for other package food products. Negotiation for purchase of Industrial land is underway and construction is expected to start in early 2017. After 2 years of restructuring, Carrianna now operates 7 restaurants in the mainland, 2 inside Carrianna Hotels in Foshan and Yiyang, one each in major Carrianna moon cake market of Kunming and Hainan and 3 in Shenzhen. On this foundation, new restaurants will be opened with smaller size serving specialties food, provided shops with good traffic flow and acceptable rent are available.

Growth for Hong Kong restaurants and bakeries and food factory was satisfactory in last year. Total turnover for Delicious and Profit Smart Group was HK\$231,348,000 with combined operating profit of HK\$11,697,000. Numbers of Delicious and Gusto restaurants increased from 12 to 16 at year end date of 31 March 2016. The Group plans to increase 4 to 5 restaurants for the coming year. For Profit Smart Group, the Group also plans to increase 4 to 5 Empery bakeries for the coming year from its existing 14 bakeries. For the coming year, the Group will be operating about 40 retail outlets of restaurants and bakeries in Hong Kong. Together with direct sales from food factory, total current monthly turnover of the two businesses are roughly HK\$24,000,000 and turnover for the coming year is expected to be over HK\$300,000,000.

### ***Liquidity and Financial Resources***

As at 31 March 2016, the Group's cash and cash equivalents amounted to HK\$158,207,000 (2015: HK\$229,248,000), which were denominated in Hong Kong dollars, Renminbi and United States dollars of HK\$72,609,000, HK\$85,474,000 and HK\$124,000, respectively. The Group's free cash and bank balances and structured deposits were HK\$172,697,000 (2015: HK\$303,353,000).

The Group's total borrowings amounted to HK\$936,594,000 (2015: HK\$1,006,935,000) comprised interest-bearing bank and other borrowings and derivative financial instrument. All interest-bearing bank and other borrowings bear interest at floating rates. Netting off cash deposits pledged for borrowings, the Group's net bank and other borrowings were HK\$832,693,000 (2015: HK\$887,122,000). Net bank and other borrowings less free cash and bank balances and structured deposits were HK\$659,996,000 (2015: HK\$583,769,000).

The Group's gearing ratio, which was defined as the Group's interest-bearing bank and other borrowings, net of cash and cash equivalents, structured deposits and pledged time deposits as percentage of the Group's total equity, was approximately 19% (2015: 15%).

### ***Material acquisition and disposal***

On 28 May 2015, the Group entered into a share transfer agreement for the acquisition of 60% equity interest in Profit Smart Group Holdings Limited (formerly known as “New Sheen Holdings Limited”) which is the holding company for operating Profit Smart Group, at a cash consideration of HK\$20,400,000 (See announcement dated 28 May 2015).

The share transfer agreement was entered with the owner and operators of Profit Smart Group bakery business and subject to an earnout payment which was calculated by any excess to annual profits of HK\$5,400,000 at a price-earnings ratio (“PE”) of 6.4. Profit Smart Group was engaged in the operation of the bakery business under the names of “Empery” (馥軒) and “PakLok” (百樂). Profit Smart Group operated 10 bakeries and 1 factory in Hong Kong.

The transaction was completed on 1 July 2015 and Profit Smart Group became a subsidiary of the Group on the same date.

### ***Contingent liabilities and future commitment***

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\$219,800,000 (2015: HK\$223,710,000).

### ***Charges on Group assets***

As at the end of the reporting period, certain of the Group’s property, plant and equipment, investment properties, properties under development, properties held for sale, time deposits, structured deposits and financial assets at fair value through profit or loss with a total carrying value of approximately HK\$1,492,674,000 (2015: HK\$2,443,653,000) 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 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.

## **EMPLOYEE AND REMUNERATION POLICY**

The Group's staff consists of approximately 900 employees in Hong Kong and approximately 1,300 employees outside Hong Kong. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Directors recommended the payment of a final dividend of HK3 cents (2015: HK3 cents) per ordinary share for the year ended 31 March 2016. Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the final dividend will be paid on or before 14 October 2016.

For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Monday, 26 September 2016 to Friday, 30 September 2016 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 23 September 2016.

## **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 Monday, 22 August 2016 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>) and included in the 2016 Annual Report which will be despatched to the shareholders in due course.

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, 19 August 2016 to Monday, 22 August 2016, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 18 August 2016.

## **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 financial statements for the year ended 31 March 2016.

## **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 year ended 31 March 2016.

## **COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 year ended 31 March 2016.

## **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 2016.

## **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 of Hong Kong Limited (<http://www.hkex.com.hk>) respectively. The 2016 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, 27 June 2016

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