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 2025

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 2025, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
REVENUE	*3*	**577,521**	661,856
Cost of sales		**(335,426)**	(398,069)
Gross profit		**242,095**	263,787
Other income and gains, net		**15,845**	48,714
Selling and distribution expenses		**(125,463)**	(141,847)
General and administrative expenses		**(88,883)**	(119,075)
Other expenses, net		**(66,579)**	(123,695)
Finance costs	*4*	**(107,860)**	(127,036)
Share of losses of associates		**(56,075)**	(64,870)
LOSS BEFORE TAX	*5*	**(186,920)**	(264,022)
Income tax credit	*6*	**45,020**	2,933
LOSS FOR THE YEAR		**(141,900)**	(261,089)

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Attributable to:			
Owners of the parent		**(135,187)**	(250,250)
Non-controlling interests		**(6,713)**	(10,839)
		(141,900)	(261,089)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
– Basic		**HK cents (8.60)**	HK cents (15.93)
– Diluted		**HK cents (8.60)**	HK cents (15.93)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025 *HK$'000*	2024 *HK$'000*
LOSS FOR THE YEAR	**(141,900)**	(261,089)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(26,588)**	(145,950)
Share of other comprehensive loss of associates	**(2,960)**	(15,310)
Release of exchange reserve on disposal on a subsidiary	**(15,907)**	–
	(45,455)	(161,260)
Other comprehensive income/(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	**26,749**	(66,414)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(18,706)**	(227,674)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(160,606)**	(488,763)
Attributable to:		
Owners of the parent	**(153,778)**	(475,748)
Non-controlling interests	**(6,828)**	(13,015)
	(160,606)	(488,763)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**583,554**	629,138
Investment properties		**2,150,380**	2,232,073
Right-of-use assets		**96,335**	107,477
Goodwill		**28,162**	28,162
Interests in associates		**1,149,140**	1,175,813
Equity investments designated at fair value through other comprehensive income		**69,484**	43,054
Properties under development		**312,939**	314,303
Deferred tax assets		**14,836**	34,269
Other receivables, deposits and prepayments		**18,904**	22,764
Total non-current assets		**4,423,734**	4,587,053
CURRENT ASSETS			
Properties held for sale		**377,523**	408,789
Inventories		**28,976**	34,380
Tax recoverable		**3,703**	3,954
Trade receivables	*9*	**26,341**	31,596
Other receivables, deposits and prepayments		**290,188**	316,713
Due from directors		**817**	5,133
Due from an associate		**192,556**	354,064
Financial assets at fair value through profit or loss		**22,196**	35,309
Equity investment designated at fair value through other comprehensive income		**15,995**	17,329
Pledged time deposits		**33,722**	34,785
Cash and bank balances		**162,534**	127,369
		1,154,551	1,369,421
Assets classified as held for sale		**–**	178,437
Total current assets		**1,154,551**	1,547,858

	Notes	**2025** **_HK$'000_**	2024 _HK$'000_
CURRENT LIABILITIES			
Trade payables	_10_	**(48,364)**	(50,046)
Other payables, accruals and deposits received		**(199,267)**	(193,865)
Convertible bonds		**(69,127)**	(76,971)
Due to directors		**(35,876)**	(660)
Due to non-controlling shareholders		**(42,485)**	(38,770)
Interest-bearing bank borrowings		**(1,260,478)**	(1,450,391)
Lease liabilities		**(46,480)**	(34,747)
Deferred income		**(27,857)**	(28,230)
Tax payable		**(239,128)**	(291,531)
		(1,969,062)	(2,165,211)
Liabilities directly associated with the assets classified as held for sale		**–**	(226,696)
Total current liabilities		**(1,969,062)**	(2,391,907)
NET CURRENT LIABILITIES		**(814,511)**	(844,049)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,609,223**	3,743,004
NON-CURRENT LIABILITIES			
Accruals and deposits received		**(12,180)**	(12,748)
Interest-bearing bank borrowings		**(292,199)**	(209,644)
Lease liabilities		**(54,909)**	(71,062)
Deferred income		**(74,453)**	(75,085)
Deferred tax liabilities		**(253,485)**	(274,919)
Provisions		**(4,214)**	(4,254)
Total non-current liabilities		**(691,440)**	(647,712)
Net assets		**2,917,783**	3,095,292
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**157,136**	157,136
Reserves		**2,783,772**	2,959,080
		2,940,908	3,116,216
Non-controlling interests		**(23,125)**	(20,924)
Total equity		**2,917,783**	3,095,292

NOTES

31 March 2025

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as 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 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

The Group incurred a loss for the year of HK$141,900,000 during the year ended 31 March 2025. As at 31 March 2025, the Group's cash and cash equivalents amounted to HK$162,534,000 and interest-bearing borrowings amounted to HK$1,260,478,000 have been classified as current liabilities.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company are undertaking a number of plans and measures to improve the Group's liquidity and financial position, including, inter alia:

(i) Ignoring the effect of any repayment on-demand clauses, interest-bearing borrowings of HK$173,948,000 which were classified as current liabilities as at 31 March 2025 would have become non-current liabilities and will be settled in accordance with the maturity dates as set out in the banking facility letters;

(ii) The Group has been actively negotiating with banks in a timely manner such that the facilities and bank borrowings will continue to be made available to the Group. Based on the Group's relationship with the banks and the history of no breach of covenants and of successful renewal of the banking facilities, the directors of the Company believe that, the Group has taken various actions to reduce bank borrowings and negotiate with banks for refinancing;

(iii) Based on the existing signed sale and purchase agreements to date, the Group expects to receive net proceeds from the sale of the residential units of the Haitan Street re-development project;

(iv) The Group continues to identify suitable purchasers on possible realisation of certain properties to raise further funds;

(v) The Group has implemented measures to speed up the collection of outstanding trade and other receivables; and

(vi) To improve the current and future financial performance and liquidity conditions, various financial performance and resources improvement plans and measures have been implemented/contemplated by the Group to focus on improving the financial performance and liquidity of the Group and to enable the Group to take advantage of any growth opportunities in the future.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 March 2025. They are of the opinion that, taking into account the anticipated cash flows to be generated from the Group's operations as well as above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for a period of not less than 12 months from 31 March 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to generate sufficient cash inflows from its operations and achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following: (a) whether it is able to successfully implement its various plans and measures as described above; (b) timely availability of funds from the loan as mentioned in note (ii) above; and (c) the appropriateness of key assumptions applied in estimating the cash flow projections including cash flows from settlements of trade and other receivables, forecast revenue and budgeted costs and expenses.

Should the going concern assumptions be inappropriate, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards that are applicable to the Group for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

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 2025

	Restaurant, food and hotel *HK$'000*	Property investment and development *HK$'000*	Total *HK$'000*
Segment revenue *(note 3)*			
Revenue from external customers	**472,523**	**104,998**	**577,521**
Intersegment revenue	**1,558**	**6,307**	**7,865**
	474,081	**111,305**	**585,386**
Reconciliation:			
Elimination of intersegment revenue			**(7,865)**
Total revenue			**577,521**
Segment results	**(22,539)**	**(34,802)**	**(57,341)**
Reconciliation:			
Bank interest income			**2,234**
Unallocated other income and gains, net			**8,334**
Corporate and unallocated expenses			**(32,287)**
Finance costs			**(107,860)**
Loss before tax			**(186,920)**
Other segment information			
Changes in fair value of investment properties, net	**–**	**57,583**	**57,583**
Share of losses of associates	**–**	**56,075**	**56,075**
Other interest income	**–**	**(6,180)**	**(6,180)**
Impairment of trade receivables, net	**74**	**–**	**74**
Reversal of impairment of other receivables, net	**–**	**(161)**	**(161)**
Write-off of other receivable	**–**	**9,893**	**9,893**
Depreciation of property, plant and equipment			
– segment	**42,664**	**17,025**	**59,689**
– unallocated			**2,471**
			62,160
Depreciation of right-of-use assets	**35,414**	**–**	**35,414**
Capital expenditure			
– segment	**17,755**	**5,552**	**23,307**
– unallocated			**17**
			23,324*

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

Year ended 31 March 2024

	Restaurant, food and hotel *HK$'000*	Property investment and development *HK$'000*	Total *HK$'000*
Segment revenue *(note 3)*			
Revenue from external customers	559,291	102,565	661,856
Intersegment revenue	2,751	7,682	10,433
	562,042	110,247	672,289
Reconciliation:			
Elimination of intersegment revenue			(10,433)
Total revenue			661,856
Segment results	(73,781)	(45,087)	(118,868)
Reconciliation:			
Bank interest income			10,607
Unallocated other income and gains, net			11,762
Corporate and unallocated expenses			(40,487)
Finance costs			(127,036)
Loss before tax			(264,022)
Other segment information			
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			2,189
			68,430
Depreciation of right-of-use assets	38,354	–	38,354
Capital expenditure			
– segment	26,323	10,948	37,271
– unallocated			2,379
			39,650*

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

Geographical information

Revenue from external customers

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**197,603**	229,051
Mainland China	**379,918**	432,805
	577,521	661,856

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 years ended 31 March 2025 and 2024.

3. REVENUE

An analysis of revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Income from restaurant, food and hotel businesses	**472,523**	559,291
Proceeds from the sale of properties, property management service income and commission income	**2,127**	2,293
	474,650	561,584
Revenue from other sources		
Gross rental income	**102,871**	100,272
	577,521	661,856

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on bank borrowings	**100,773**	119,804
Interest on convertible bonds	**2,041**	2,193
Interest on lease liabilities	**5,046**	5,039
	107,860	127,036

5. LOSS BEFORE TAX

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

	2025	2024
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**62,160**	68,430
Depreciation of right-of-use assets	**35,414**	38,354
Impairment/(reversal of impairment) of		
– trade receivables, net*	**74**	2,943
– other receivables, net*	**(161)**	(163)
– property, plant and equipment and right-of-use assets*	**5,264**	7,856
Write-off of other receivables*	**9,893**	–
Changes in fair value of investment properties, net*	**57,583**	38,047
Fair value (gain)/losses, net:*		
Financial assets at fair value through profit or loss		
– held for trading	**(7,131)**	16,067
Fair value loss on redemption option of convertible bonds*	**–**	17,465
Loss on modification of convertible bonds*	**2,763**	2,363
Bank interest income	**(2,234)**	(10,607)
Investment interest income	**(247)**	(3,926)
Other interest income	**(6,180)**	(17,976)
Dividend income from financial assets at fair value through profit or loss	**(1,075)**	(1,654)
Loss on disposal/write-off of items of property, plant and equipment, net*	**350**	492
Impairment of goodwill*	**–**	24,419
Gain on lease modification	**–**	(215)

* Included in "Other expenses, net", in the consolidated statement of profit or loss.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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 (2024: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 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.

	2025	2024
	HK$'000	*HK$'000*
Current	**(43,243)**	4,038
Deferred	**(1,777)**	(6,971)
Total tax credit for the year	**(45,020)**	(2,933)

7. DIVIDEND

The Board does not recommend the payment of a final dividend in respect of the year ended 31 March 2025 (2024: 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 (2024: 1,571,359,420) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2025 and 2024 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:

	2025	2024
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(135,187)**	(250,250)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and dilutive loss per share calculation	**1,571,359,420**	1,571,359,420

9. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**53,524**	58,809
Impairment	**(27,183)**	(27,213)
	26,341	31,596

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:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**10,679**	12,038
31 to 60 days	**3,761**	5,481
61 to 90 days	**4,389**	2,863
Over 90 days	**7,512**	11,214
	26,341	31,596

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:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**20,227**	21,631
31 to 60 days	**6,507**	4,567
61 to 90 days	**3,876**	6,714
Over 90 days	**17,754**	17,134
	48,364	50,046

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

OTHER INFORMATION

Extract from Independent Auditor's Report

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2025.

Opinion (Extract)

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Extract of an Emphasis of Matter paragraph in the auditor's report

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements which indicates that the Group incurred a net loss of HK$141,900,000 during the year ended 31 March 2025 and as at 31 March 2025, the Group had cash and cash equivalents of HK$162,534,000 and interest-bearing borrowings of HK$1,260,478,000 which have been classified as current liabilities. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter (refer to "Opinion (Extract)" above).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

PROPERTY

Turnover of property segment for the year ended 31 March 2025 was HK$104,998,000 (2024: HK$102,565,000), an increase of 2.4% from last year. The increase was mainly attributable to the increase in property management service income and the increase in rental income during the year. The Group's rental income from investment properties for the year was HK$102,871,000 (2024: HK$100,272,000), an increase of 2.6% from last year. There was no major change in the investment property portfolio of the Group for the year. Segment loss for the year was HK$34,802,000 (2024: HK$45,087,000), reduced by HK$10,285,000 from last year. The decrease in segment loss was mainly attributable to the combined effect of: (i) the increase in operating profit of the property rental business of HK$21,481,000; (ii) the decrease in share of associates' losses of HK$8,795,000 mainly due to the decrease in impairment loss of the Haitan Street re-development project; and (iii) the increase in net loss on investment property valuation of HK$19,536,000 from 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 west tower had been transformed into an outlet shopping mall during the year and officially opened on 14 June 2025. As Dongguan's first urban-level outlet, it will introduce over 200 well-known domestic and international brands, becoming a new growth point for urban consumption. At the same time, it will perfectly integrate various business formats, including outlet retail, dining, entertainment, and culture, aiming to create the most distinctive "Outlet Life +" experience center in the Greater Bay Area.

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 of 9,203 sq.m., continued to contribute to the Group in rental income for the year. The office building has achieved 81% 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. 105 residential units have been sold as at year end 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. In response to a sluggish property market, the Group is re-evaluating its future development strategy for the land to maintain flexibility and competitiveness in this challenging environment.

RESTAURANT, FOOD AND HOTEL

Turnover of restaurant, food and hotel segment for the year ended 31 March 2025 was HK$472,523,000 (2024: HK$559,291,000), a decrease of 15.5% from last year. The decrease was mainly attributable to the decrease in restaurant businesses, food business and hotel business in Hong Kong and the Mainland, which slightly compensated by the increase in the Hong Kong bakery business. Segment loss for the year was HK$22,539,000 (2024: HK$73,781,000), a decrease of HK$51,242,000. The decrease was mainly due to (i) there was no impairment of goodwill and decrease of impairment of right-of-use assets due to closure down of the Hong Kong style "Cha Chaan Teng"（茶餐廳） restaurant business during the year; and (ii) the decrease in the operating loss in food business during the year.

Restaurant turnover for the year was HK$264,749,000 (2024: HK$315,653,000), a decrease of 16.1% from last year. The decrease was mainly attributable to (i) the close of most of the Hong Kong style "Cha Chaan Teng"（茶餐廳）restaurants before end of 2023; and (ii) the high base effect of a sharp rebounce of business in both Hong Kong and the Mainland following the lifting of COVID-19 pandemic restrictions and the re-opening of Hong Kong-Mainland borders since beginning of 2023. In addition, factors such as economic weakness, increasingly intense market competition, customers' pursuit of products with higher value for money and changes in consumption patterns have also negatively impacted the Group's restaurant business in Hong Kong and the Mainland. Management has implemented various strategic adjustments, including developing new dishes, offering limited time meal promotions and improving customer service quality, etc. to address the challenges.

Food business turnover for the year was HK$58,260,000 (2024: HK$86,110,000), a decrease of 32.3% from last year. The decrease in food business turnover mainly stemmed from the decrease in moon cake sales, which was influenced by multiple factors, including natural disasters and economic conditions. The typhoon in Hainan in September 2024 disrupted the supply chain, affecting moon cakes' production and distribution. Additionally, consumers tended to be more cautious in their purchasing decisions due to the slump of consumers' sentiment, further impacting the turnover. 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. 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.

Hong Kong Bakery business turnover for the year was HK$132,381,000 (2024: HK$132,336,000), remained stable during the year. Management will continue to strengthen product development and introduce more new products with the aim to boost sales. At the same time, some older but promising bakery stores are being renovated to attract new customer segments and increase turnover. 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$17,133,000 (2024: HK$25,192,000), which mainly derived from two hotels in the Mainland, a decrease of 32% from last year. The decrease was mainly attributable to the disposal of 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") during the year. Having considered (i) the unsatisfactory financial performance and loss position of the Disposal Company for the year ended 31 March 2023 and the year ended 31 March 2024; and (ii) that substantial capital expenditure will be required for renovation of the hotel in order to improve its competitiveness and business performance, the Board considers that the disposal of the Disposal Company is a good opportunity for the Group to realise its investment and allow the Group to focus on other profit making segments. Coupled with the slump in the property market and macroeconomic environment in the PRC, the Board is of the view that it is an optimal time for the Group to conduct the Disposal and reduce its debts and interest expenses. For further details, please refer to the announcement of the Company dated 26 April 2024 and 15 July 2024 and the circular of the Company dated 18 June 2024.

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OUTLOOK

Economic uncertainty is significant, with risks mainly leaning downward. A slower recovery in Mainland China could negatively affect Hong Kong's growth. Additionally, prolonged high US interest rates may tighten financial conditions in Hong Kong and reduce domestic demand. The decline in the property market could hurt sentiment among households and businesses, though there are signs of recovery supported by government actions. China's economy is expected to show moderate growth, influenced by both domestic and global factors. Key considerations include ongoing property adjustments, potential impacts from China-US trade relations, and the effectiveness of government stimulus. Despite these challenges, the Group remains cautiously optimistic about gradual improvement in 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. Hong Kong's residential property prices remain on a downward trend, despite recovering demand and stronger construction activity. With the government lifted market cooling measures and as interest rates continue to gradually decline, 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. The Group's 50% owned Haitan Street re-development project in Shum Shui Po has sold 105 residential units as at year end. Management is optimistic on the sale of the remaining residential units in the coming months.

Carrianna Brand foods has gained widespread consumer favor with its high-quality, stylish, and prestigious image. Our diverse product line spans multiple sectors, catering to the varied needs of consumers. After experiencing recent years of market downturn, we are proactively adjusting our strategy, focusing on innovation and enhancing brand value. In the coming year, management will fully commit to expanding our market presence, striving for a rebound and reshaping our competitiveness. Management firmly believes that, with our exceptional product quality and brand influence, we will encounter new development opportunities.

Hong Kong and China's economic growth slowdown faces multiple challenges, including increasing trade barriers, policy uncertainty, declining consumer confidence, and a sluggish real estate market. Recently, geopolitical tensions, particularly the outbreak of war in the Middle East, have had a profound impact on the global economy, further exacerbating this situation. The war has led to fluctuations in energy prices and disruptions in supply chains, affecting business operating costs and consumers' willingness to spend. Trade barriers negatively impact exports, while policy uncertainty makes corporate investment decisions more cautious. A decline in consumer confidence leads to weak consumption, and the sluggish real estate market adversely affects household wealth and spending. Additionally, inflationary pressures are squeezing disposable income, impacting consumers' spending ability.

To address these challenges, the Group will implement a series of measures: First, we will continue to optimize cost management, enhance operational efficiency, and improve financial control to reduce operational risks. Second, we will strengthen market research to timely understand changes in consumer demand and adjust our product and service strategies accordingly. Third, we will expand online sales channels and enhance our digital transformation capabilities to adapt to market changes. Last but not least, we will further enhance our brand image and consumer trust.

Through these comprehensive measures, the Group aims to effectively navigate economic fluctuations and achieve sustained growth in our operating markets in Hong Kong and the Mainland.

FINANCIAL REVIEW

Overall Results

For the year ended 31 March 2025, the Group's turnover was HK$577,521,000 (2024: HK$661,856,000), decreased by 12.7% as compared to last year. The decrease in turnover was mainly attributable to the decrease in the restaurant, food and hotel business turnover during the year. The Group's loss attributable to shareholders was HK$135,187,000 (2024: HK$250,250,000), decreased by 46.0% as compared to last year. The decrease in loss attributable to shareholders was mainly due to the combined effect of (i) the decrease in other expenses, net mainly due to the increase in fair value gain of financial assets at fair value through profit and loss, the decrease of impairment of goodwill and the decrease of fair value loss on redemption option of convertible bonds; (ii) the decrease in finance cost due to the decrease of interest on bank borrowings; (iii) the decrease in selling and distribution and general and administrative expenses; and (iv) the increase in income tax credit during the year.

Liquidity and Financial Resources

As at 31 March 2025, the Group's consolidated net assets after deduction of non-controlling interests was HK$2,917,783,000 (31 March 2024: HK$3,095,292,000) and consolidated net assets after deduction of non-controlling interests per share was HK$1.86 (31 March 2024: HK$1.97).

As at 31 March 2025, the Group's cash and bank balances amounted to HK$162,534,000 (2024: HK$127,369,000), which were denominated in Hong Kong dollars, Renminbi and United States dollars of HK$38,366,000, HK$118,841,000 and HK$5,327,000, respectively. The Group's free cash and bank balances amounted to HK$162,534,000 (2024: HK$127,369,000).

As at 31 March 2025, the Group's bank borrowings and convertible bonds amounted to HK$1,552,677,000 (2024: HK$1,660,035,000) and HK$69,127,000 (2024: HK$76,971,000) respectively. All interest-bearing bank borrowings bear interest at floating rates. The convertible bonds bear interest at 7% per annum. Netting off cash deposits pledged for borrowings, the Group's net borrowings were HK$1,588,082,000 (2024: HK$1,702,221,000). Net borrowings less free cash and bank balances were HK$1,425,548,000 (2024: HK$1,574,852,000).

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 40.5% (2024: 42.8%).

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 (2024: 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$2,021,713,000 (2024: HK$1,977,504,000) 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 2025 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 270 employees in Hong Kong and approximately 940 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Disposal of the entire equity interest in Yiyang Carrianna International Hotel Management Company Limited#

On 26 April 2024, Carrianna Chinese Food (Hong Kong) 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) (the "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#), a company established in the PRC with limited liability and is owned as to 90% by Carrianna (HK) and as to 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#), a state-owned enterprise established in the PRC with limited liability ("Yiyang Shi Yinxiang") (the "Disposal Company") and the Company as guarantor entered into the Sale and Purchase Agreement in relation to the disposal of the Disposal Company. Pursuant to the Sale and Purchase Agreement, the Vendors agreed to sell, and the Purchaser agreed to purchase, the entire equity interest of the Disposal Company after the Capital Injection (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.

On 15 July 2024, Yiyang Shi Yinxiang and Carrianna (Foshan) entered into the Sale and Purchase Agreement (10% Sale Equity Interest). Pursuant to the Sale and Purchase Agreement (10% Sale Equity Interest), Yiyang Shi Yinxiang agreed to sell, and the Carrianna (Foshan) agreed to purchase, the 10% of the equity interest of the Disposal Company at the consideration of RMB15 million (equivalent to approximately HK$16.18 million) subject to the terms of the Sale and Purchase Agreement (10% Sale Equity Interest) (the "Acquisition"). On 15 July 2024, Carrianna (HK), Carrianna (Foshan), the Purchaser, the Disposal Company and the Company entered into a supplemental agreement (the "Supplemental Agreement") to the Sale and Purchase Agreement. Pursuant to the Supplemental Agreement, after completion of the acquisition of 10% of the equity interest of the Disposal Company by Carrianna (Foshan) (the "Acquisition"), Carrianna (HK) shall internally transfer 90% of the equity interest of the Disposal Company to Carrianna (Foshan), thereby making the Disposal Company wholly owned by Carrianna (Foshan) immediately prior to the disposal. Carrianna (Foshan) will then transfer all the Sale Equity Interest to Purchaser of the disposal at completion of the disposal. The Acquisition has been completed and all the conditions under the Sale and Purchase Agreement have been fulfilled. As such, the completion of the disposal took place on 8 August 2024 in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon the completion, the Disposal Company has ceased 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. Details of the transaction are set out in the Company's announcements dated 26 April 2024 and 15 July 2024 and the Company's circular dated 18 June 2024.

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Disposal of property

On 14 January 2025, Happy Empire Limited (an indirect wholly-owned subsidiary of the Company) entered into the Provisional SP Agreement with the Purchaser and the Agent in relation to the disposal of a commercial shop located in Sham Shui Po for a consideration of HK$20,160,000. The Property is currently occupied by a tenant under an existing tenancy and will be sold subject to and with the benefit of the said tenancy. The Provisional SP Agreement serves as a framework in respect of the sale and purchase of the Property including the execution of the Formal Agreement. The Formal Agreement has been signed and the disposal has been completed on 18 February 2025. Details of the transaction are set out in the Company's announcement dated 14 January 2025.

Save as disclosed above, the Group had no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend in respect of the year ended 31 March 2025 (2024: 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 Thursday, 28 August 2025 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 Monday, 25 August 2025 to Thursday, 28 August 2025, 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 Friday, 22 August 2025.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Wong See King (Chairman), Mr. Cheung Wah Fung, Christopher and Miss Liu Ling Ling, Samantha.

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 2025.

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 2025 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 C1 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 2025.

In accordance with Code Provision Part 2 B.2.2 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 C3 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 2025.

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 2025.

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 2025 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 2025

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 and Mr. Ma Hung Man as executive directors; and Mr. Wong See King and Mr. Cheung Wah Fung, Christopher and Miss Liu Ling Ling, Samantha as independent non-executive directors.