融太集團股份有限公司
MAGNUS CONCORDIA GROUP LTD

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1172)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

The board (the "**Board**") of directors (the "**Directors**") of Magnus Concordia Group Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2019 with the corresponding comparative figures for the year ended 31 March 2018 as follows:

FINANCIAL HIGHLIGHTS

	2019	2018	**Change**
Revenue	**HK$214 million**	HK$222 million	**-3%**
Gross profit	**HK$67 million**	HK$70 million	**-5%**
Profit attributable to shareholders of the Company	**HK$3 million**	HK$15 million	**-83%**
Earnings per share	**0.08 HK cent**	0.44 HK cent	**-82%**
Dividend per share – special	**–**	1 HK cent	**N/A**
Shareholders' funds	**HK$627 million**	HK$638 million	**-2%**
Net asset value per share	**HK$0.19**	HK$0.19	**–**

RESULTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
Revenue	*2*	**214,380**	222,119
Cost of sales		**(147,859)**	(152,431)
Gross profit		**66,521**	69,688
Other income, expense and net (losses)/gains	*4*	**(997)**	12,329
Selling and marketing expenses		**(15,505)**	(13,519)
Administrative and other operating expenses		**(58,856)**	(55,289)
Change in fair value of investment properties		**16,610**	5,089
Operating profit	*5*	**7,773**	18,298
Finance costs	*6*	**(4,832)**	(2,379)
Profit before taxation		**2,941**	15,919
Taxation	*7*	**(400)**	(1,223)
Profit for the year attributable to equity holders of the Company		**2,541**	14,696
		HK cent	*HK cent*
Earnings per share (basic and diluted)	*9*	**0.08**	0.44

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	2019	2018
	HK$'000	*HK$'000*
Profit for the year	**2,541**	14,696
Other comprehensive (expense)/income		
Item that may be reclassified subsequently to profit or loss		
Net exchange differences	**(13,777)**	14,023
Total other comprehensive (expense)/income that may be reclassified subsequently to profit or loss	**(13,777)**	14,023
Total comprehensive (expense)/income for the year attributable to equity holders of the Company	**(11,236)**	28,719

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Prepaid lease payments		**3,051**	3,169
Property, plant and equipment		**40,891**	33,592
Investment properties	*10*	**522,644**	516,381
Other non-current assets	*11*	**38,493**	42,788
Prepayment for acquisition of a property development business	*12*	**80,000**	–
		685,079	595,930
Current assets			
Inventories	*13*	**46,252**	27,129
Properties for sale	*14*	**53,707**	57,095
Accounts receivable	*15*	**58,654**	50,284
Deposits, prepayments and other receivables		**23,265**	24,458
Financial assets at fair value through profit or loss		**31,671**	68,099
Cash and bank balances		**67,945**	128,038
		281,494	355,103

	Notes	2019 *HK$'000*	2018 *HK$'000*
Current liabilities			
Accounts payable	*16*	**45,839**	30,173
Accrued charges and other payables		**44,679**	49,738
Contract liabilities		**6,382**	N/A
Taxation payable		**48,428**	57,188
Bank borrowings – due within one year		**71,099**	26,268
		216,427	163,367
Net current assets		**65,067**	191,736
Total assets less current liabilities		**750,146**	787,666
Non-current liabilities			
Deferred taxation liabilities		**59,981**	60,729
Bank borrowings – due after one year		**63,532**	89,068
		123,513	149,797
		626,633	637,869
Equity			
Share capital		**331,081**	331,081
Reserves		**295,552**	306,788
Total equity		**626,633**	637,869

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	2019	2018
	HK$'000	*HK$'000*
Net cash generated from operating activities	**26,539**	44,237
Net cash used in investing activities	**(97,320)**	(144,935)
Net cash generated from/(used in) financing activities	**14,474**	(51,336)
Net decrease in cash and cash equivalents	**(56,307)**	(152,034)
Cash and cash equivalents at the beginning of the year	**128,038**	279,754
Exchange difference on cash and cash equivalents	**(3,786)**	318
Cash and cash equivalents at the end of the year	**67,945**	128,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties at fair value and financial assets at fair value through profit or loss, and in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rule**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and by the Hong Kong Companies Ordinance.

On 8 October 2018, the Group announced it had entered into a conditional sale and purchase agreement (the "**Agreement**") with an independent third party (the "**Seller**") to acquire the entire issued share capital of Jinjin Investments Co., Limited (the "**Target Group**") at a consideration of HK$400 million (the "**Consideration**") to acquire a property development project, hereinafter referred to as the "Acquisition". The Consideration will be settled by cash consideration of HK$261 million, of which an initial deposit of HK$80 million (the "**Deposit**") was paid on 9 October 2018 and is recorded as "Prepayment for acquisition of a property development business" in the consolidated statement of financial position of the Group as of 31 March 2019. The remaining cash consideration of HK$181 million is expected to be settled on or before 30 September 2019, while the remaining balance of HK$139 million will be settled by allotment and issuance of new shares of the Company. In addition, after the Acquisition, the Group also agreed to pay a conditional payment of up to HK$200 million in tranches if certain profit target and the delivery target are met on or before 31 March 2021.

The Acquisition was approved by the shareholders of the Company at the extraordinary general meeting held on 21 March 2019 and the completion will take place after all conditions precedent set out in the Agreement have either been fulfilled or waived on or before 30 September 2019 pursuant to a supplemental agreement entered into by the buyer and the seller. One of the conditions precedent to complete the Acquisition is that the Group obtains and drawdown a bank loan in order to finance the Acquisition. As of the date of this report, the Group is in an advanced stage of securing a bank loan facility to finance the remaining cash consideration of HK$181 million. If any of the conditions precedent as set out in the Agreement have not been satisfied (for whatever reasons) or waived on or by 30 September 2019, the Agreement shall be terminated and no party shall have any claim against any of the others, except in respect of any antecedent breach of the terms thereof; and the Seller shall return the Deposit to the buyer within three business days after the termination of the Agreement. Management of the Group is making its best endeavours to complete the Acquisition and the Directors currently expect that the completion of the Acquisition will take place on or before 30 September 2019.

As of 31 March 2019, the Group's profit for the year ended 31 March 2019 was HK$2,541,000 and has non-current assets of HK$685,079,000, mainly comprising of investment properties in Hong Kong and Mainland China and other properties and equipment of the printing business in Mainland China, and has net current assets of HK$65,067,000, including cash and bank balances of HK$67,945,000 and financial assets at fair value through profit or loss of HK$31,671,000. Upon the completion of the Acquisition, the enlarged Group is expected to have a significant increase in current assets comprising the Target Group's property under development as well as significant increase in current liabilities. The enlarged Group would require additional funding to complete the construction of the property under development as well as to settle its liabilities as and when they become due and payable. Based on the Target Group's audited financial position as at 31 August 2018, current liabilities comprised contract liabilities arising from presold units, accounts payable, accrued charges and other payables amounted to RMB1,048,853,000 while the property under development amounted to RMB567,711,000.

The Directors have prepared a cash flow projection of the enlarged Group for a period covering at least 12 months from 31 March 2019 to assess the future liquidity and performance of the Group and its available sources of financing, on the basis that the Acquisition will be complete as planned. The Directors have considered, including but not limited to, the following plans and measures to ensure the enlarged Group will have sufficient working capital in the foreseeable future:

(i) partial sales of the properties under development of the Target Group which would be utilized to fund the remaining construction costs of the properties under development;

(ii) obtaining additional banking facilities, as and when necessary, using the Target Group's properties under development or the enlarged Group's unpledged properties (after completion of the Acquisition) as possible security;

(iii) sales of the enlarged Group's existing properties and disposal of the financial assets at profit or loss, if necessary.

Notwithstanding the above, whether management is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions are subject to inherent uncertainties. In particular, whether the enlarged Group will be able to continue as a going concern would depend upon the successful and timely sales of the properties under development and the successful and timely negotiation of additional banking facilities. The Directors, after careful consideration of the liquidity requirements of the enlarged Group and after due consideration of the basis of management's plans and measures as well as the reasonable possible downside changes to the cash flow assumptions, are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 31 March 2019. Accordingly, the Directors considered it appropriate to prepare the consolidated financial statements on a going concern basis.

Effect of adopting new standards and amendments and interpretations

For the financial year ended 31 March 2019, the Group adopted the following new standards and amendments and interpretations that are effective for the accounting periods beginning on or after 1 April 2018 and relevant to the operations of the Group:

HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue From Contracts with Customers
HKFRS 15 (Amendment)	Clarifications to HKFRS 15
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements Project	Annual Improvements to HKFRSs 2014 – 2016 Cycle

The Group has assessed the impact of the adoption of these new standards, amendments and interpretations, except for the effects of the adoption of HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**") disclosed in "Changes in accounting policies" below, there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements for the other new standards, amendments and interpretations.

Changes in accounting policies

The impact of the adoption of HKFRS 9 and HKFRS 15 on the Group's consolidated financial statements and the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in prior periods are explained as follows:

(a) HKFRS 9 "Financial instruments"

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

Impact of adoption

In accordance with the transitional provisions in HKFRS 9, HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognized in the opening statement of financial position on 1 April 2018.

a. Classification and measurement

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and classified its financial assets into the approximate HKFRS 9 categories.

The application of the new standard does not have a significant impact on the classification and measurement of its financial assets.

b. Impairment of financial assets

The Group has assessed on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost. The Group has applied simplified approach to measure expected credit losses for trade receivables.

The adoption of the new standard does not have a significant impact on the measurement of impairment loss.

(b) HKFRS 15 "Revenue from Contracts with Customers"

The Group has adopted HKFRS 15 replacing HKAS 18 "Revenue" and HKAS 11 "Construction contracts" with a date of initial application at 1 April 2018, which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. As permitted by the transition provisions of HKFRS 15, the Group elected not to restate comparative figures. A contract liability balance in relation to sales deposits amounting to HK$752,000 has been reclassified from accrued charges and other payables to contract liabilities in the statement of financial position as at 1 April 2018. The impact at the date of initial application were recognized in the opening balance of the current year. Impact of the Group's adoption of HKFRS 15 on the consolidated statement of financial position is as below:

	As at 31 March 2018 *HK$'000*	Impact of first-time adoption of HKFRS 15 *HK$'000*	**As at 1 April 2018** ***HK$'000***
Contract liabilities	–	752	**752**
Accrued charges and other payables	49,738	(752)	**48,986**
Total current liabilities	163,367	–	**163,367**

The adoption of the new standard does not have a significant impact other than above reclassification in the opening balance as at 1 April 2018.

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards have been published which are relevant to the Group's operation and are mandatory for the Group's accounting periods beginning on or after 1 April 2019, but have not yet been early adopted by the Group:

HKAS 1 and HKAS 8	Amendment Definition of Material (effective from 1 January 2020)
HKAS 19 (Amendment)	Plan amendment, Curtailment or Settlement (effective from 1 January 2019)
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures (effective from 1 January 2019)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2015-2017 Cycle (effective from 1 January 2019)
HKFRS 3 (Amendment)	Definition of a Business (effective from 1 January 2020)
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation (effective from 1 January 2019)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (to be determined)
HKFRS 16	Leases (effective from 1 January 2019)
HKFRS 17	Insurance Contracts (effective from 1 January 2021)
HK(IFRIC) – Int 23	Uncertainty Over Income Tax Treatments (effective from 1 January 2019)
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting (effective from 1 January 2020)

The Group will adopt the above new standards and amendments and interpretation to standards as and when they become effective. The Group has performed a preliminary assessment of the likely impact of adopting the above new standards and amendments and interpretation to standards, in which the impact arising from adopting of HKFRS 16 is detailed below. The Group will continue to assess the impact in more details.

HKFRS 16, "Leases"

HKFRS 16 will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$4,107,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

The new standard is mandatory for financial years commencing on or after 1 April 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

2. REVENUE

Revenue recognized during the year is as follows:

	2019	2018
	HK$'000	*HK$'000*
Sales of printed products	**198,638**	203,766
Rental income	**11,159**	10,528
Interest income from financial assets at fair value through profit or loss	**4,583**	7,825
	214,380	222,119

Revenue from printing is recognized at a point in time.

3. SEGMENT INFORMATION

(a) Segment information by business lines

The operating segments of the Group are determined based on internal reporting to the Group's CODM (the Executive Directors of the Company) for the purposes of assessing performance and allocating resources. The internal reporting focuses on the strategic operation and development of each business unit, which business units with similar economic characteristics are organised into an operating segment for the Group's CODM to evaluate its performance.

The Group's operating and reportable segments are as follows:

Printing	–	Manufacture and sale of printed products
Property investment	–	Investment and leasing of real estate properties
Property development	–	Development, sale and trading of real estate properties
Securities investment and trading	–	Investment and trading of listed debt and equity instruments
Others	–	Other non-reportable business activities and operating segments

The Group's CODM assesses the performance of the operating segments based on a measure of earnings or loss before interest expense and tax ("**EBIT or LBIT**") and earnings or loss before interest expense, tax, depreciation and amortization ("**EBITDA or LBITDA**").

The segment information by business lines is as follows:

	Printing	Property investment	Property development	Securities investment and trading	Others and corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2019						
Revenue from external customers	**198,638**	**11,159**	**–**	**–**	**–**	**209,797**
Other interest income	**–**	**–**	**–**	**4,583**	**–**	**4,583**
Total revenue	**198,638**	**11,159**	**–**	**4,583**	**–**	**214,380**
EBITDA/(LBITDA)	**11,565**	**25,506**	**–**	**4,159**	**(21,874)**	**19,356**
Depreciation and amortization	**(11,185)**	**(66)**	**–**	**–**	**(332)**	**(11,583)**
Segment result – EBIT/(LBIT)	**380**	**25,440**	**–**	**4,159**	**(22,206)**	**7,773**
Finance costs						**(4,832)**
Profit before taxation						**2,941**
Taxation						**(400)**
Profit for the year						**2,541**
As at 31 March 2019						
Total assets	**178,816**	**562,919**	**158,085**	**55,202**	**11,551**	**966,573**
Total liabilities	**123,605**	**164,883**	**7,953**	**20**	**43,479**	**339,940**

	Printing	Property investment	Property development	Securities investment and trading	Others and corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2018						
Revenue from external customers	203,766	10,528	–	–	–	214,294
Other interest income	–	–	–	7,825	–	7,825
Total revenue	203,766	10,528	–	7,825	–	222,119
EBITDA/(LBITDA)	14,909	11,561	–	5,191	(170)	31,491
Depreciation and amortization	(13,191)	–	–	–	(2)	(13,193)
Segment result – EBIT/(LBIT)	1,718	11,561	–	5,191	(172)	18,298
Finance costs						(2,379)
Profit before taxation						15,919
Taxation						(1,223)
Profit for the year						14,696
As at 31 March 2018						
Total assets	141,954	563,429	85,060	111,329	49,261	951,033
Total liabilities	83,634	177,192	8,509	5	43,824	313,164

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenue is presented by the countries where customers are located. Non-current assets and capital expenditures are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenue		Capital expenditures	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**24,167**	29,657	**82,604**	339,265
Mainland China	**28,790**	14,907	**17,374**	12,360
United States of America	**88,428**	87,910	**–**	–
United Kingdom	**25,270**	21,327	**–**	–
Germany	**8,490**	17,298	**–**	–
France	**18,093**	27,400	**–**	–
Other countries	**21,142**	23,620	**–**	–
	214,380	222,119	**99,978**	351,625

	Non-current assets	
	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**475,680**	382,242
Mainland China	**209,399**	213,688
	685,079	595,930

(c) Information about major customers

During the year, revenue from each of the first and the second largest external customers of the printing business segment, amounting to approximately HK$28,590,000 and HK$21,943,000 respectively, has contributed over 10% of the total revenue of the Group. In last year, none of the customers of the Group contributed over 10% of the total revenue of the Group.

4. OTHER INCOME, EXPENSE AND NET (LOSSES)/GAINS

	2019	2018
	HK$'000	*HK$'000*
Interest income from bank deposits	**661**	207
Interest income from deferred consideration receivable	**–**	2,247
Sales of scraped material	**2,429**	2,328
Gain on disposal of property, plant and equipment	**3,343**	5,739
Fair value change of financial assets at fair value through profit or loss	**(737)**	(2,669)
Net gain on acquisition of subsidiaries *(note i)*	**–**	1,828
Professional fees incurred for a potential acquisition *(note ii)*	**(9,559)**	–
Transaction costs on acquisition of a property business *(note iii)*	**–**	(3,400)
Net exchange gain	**1,680**	7,214
Sundries	**1,186**	(1,165)
	(997)	12,329

Notes:

(i) On 6 July 2017, the Company entered into a sale and purchase agreement with Chuang's Consortium International Limited ("**CCIL**") to acquire its equity interests in the companies that held investment properties in Hong Kong at a net consideration of HK$158.1 million (the "**Acquisition of Subsidiaries**"). The Acquisition of Subsidiaries was announced by the Company on 6 July 2017 and published in the circular on 4 August 2017 respectively. The transaction was completed on 24 August 2017. The properties were recorded as investment properties and a negative goodwill on the Acquisition of Subsidiaries amounting to HK$5.4 million (before netting of transaction costs) was recorded upon completion.

(ii) For the year ended 31 March 2019, the professional fees mainly represent the costs incurred by the Group for the potential acquisition of a company, engaging in the development and sale of residential properties in Sichuan Province, the People's Republic of China (the "**PRC**"). Details of the potential acquisition, which sale and purchase agreement signed on 8 October 2018 and subject to completion, are set out in note 1.

(iii) For the year ended 31 March 2018, the transaction costs represented costs incurred for acquisition of a property (for commercial use) in Hong Kong by the Group. On 13 April 2017, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire the property in Hong Kong at a consideration of HK$40 million (before netting of transaction costs). The transaction was completed on 17 May 2017 and the property was recorded as an investment property. Since the consideration was equal to the fair value of the property business, except for the transaction costs, no goodwill was recognized upon completion.

5. OPERATING PROFIT

	2019	2018
	HK$'000	*HK$'000*
Operating profit is stated after charging/(crediting):		
Cost of inventories sold	**146,115**	151,425
Depreciation	**11,465**	13,075
Less: Amount capitalized and included in cost of inventories sold for printing business	**(8,698)**	(10,822)
Depreciation included in administrative and other operating expenses	**2,767**	2,253
Reversal of provision for impairment of inventories (included in cost of sales)	**(720)**	(792)
Provision for impairment of accounts receivable	**34**	–
Amortization of prepaid lease payments	**118**	118

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest expenses on bank borrowings	**4,832**	2,379

7. TAXATION

	2019	2018
	HK$'000	*HK$'000*
Taxation charge comprises:		
Current income tax		
PRC Corporate income tax	**355**	361
Overprovision of tax in prior periods		
Hong Kong profits tax	**(419)**	–
PRC Corporate income tax	**(68)**	–
	(487)	–
	(132)	361
Deferred taxation	**532**	862
	400	1,223

No provision for Hong Kong profits tax has been provided as the Group has sufficient tax losses to offset the estimated assessable profit for the year ended 31 March 2019 (2018: nil). The PRC corporate income tax for the Group's subsidiaries in the PRC is charged at 25% (2018: 25%) of the assessable profits, and for taxable income derived from the PRC by subsidiaries located outside the territory is charged at PRC withholding corporate income tax rate of 10% (2018: 10%).

8. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: nil). No interim dividend was declared during the year (2018: nil).

On 19 April 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to approximately HK$33.1 million and was paid on 26 May 2017.

9. EARNINGS PER SHARE

The calculation of the earnings per share is based on the following profit attributable to equity holders and the weighted average number of shares in issue during the year:

	2019	2018
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**2,541**	14,696

	Number of shares	
	2019	2018
Weighted average number of shares	**3,310,812,417**	3,310,812,417

The dilute earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during both years.

10. INVESTMENT PROPERTIES

	2019	2018
	HK$'000	*HK$'000*
Completed commercial or office properties		
At the beginning of the year	**516,381**	196,081
Acquisition of a property investment business	**–**	300,000
Change in fair value	**16,610**	5,089
Changes in exchanges rates	**(10,347)**	15,211
At the end of the year	**522,644**	516,381

Investment properties of the Group are located in Hong Kong and Mainland China, and were revalued at 31 March 2019 on an open market value basis by Grant Sherman Appraisal Limited, an independent professional valuer.

11. OTHER NON-CURRENT ASSETS

	2019	2018
	HK$'000	*HK$'000*
Tax indemnity upon sales of properties *(note)*	**37,658**	37,658
Prepayment for acquisition of property, plant and equipment	**814**	5,130
Others	**21**	–
	38,493	42,788

Note: Balance represents the tax indemnity from CCIL in relation to the acquisition of subsidiaries. According to the sale and purchase agreement, CCIL shall indemnify the Group for any profits tax liabilities arising from the subsequent sales of the properties acquired by the Group through the Acquisition of Subsidiaries with the maximum amount of HK$37,658,000.

Impairment on other non-current assets is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since the initial recognition.

12. PREPAYMENT FOR ACQUISITION OF A PROPERTY DEVELOPMENT BUSINESS

Prepayment represents the deposit paid during the year for acquisition of a property development business engagement in development and sale of residential properties in Sichuan Province, the PRC. Details of the proposed acquisition are set out in note 1.

13. INVENTORIES

	2019	2018
	HK$'000	*HK$'000*
Raw materials	**14,781**	12,792
Work in progress	**23,077**	9,393
Finished goods	**8,394**	4,944
	46,252	27,129

14. PROPERTIES FOR SALE

As at 31 March 2019, the balance represents the residential villas held for sale situated in Hunan Province, the PRC.

15. ACCOUNTS RECEIVABLE

The Group allows a credit period ranging from 30 days to 180 days to its trade customers of the printing business. Rental income is received in advance.

The aging analysis of the accounts receivable based on date of invoices and net of loss allowance at the end of the reporting period is as follows:

	2019	2018
	HK$'000	*HK$'000*
Below 30 days	**24,513**	19,355
31 to 60 days	**8,546**	8,658
61 to 90 days	**12,736**	9,688
Over 90 days	**12,859**	12,583
	58,654	50,284

16. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable presented based on the date of suppliers' invoices.

	2019	2018
	HK$'000	*HK$'000*
Below 30 days	**20,487**	8,940
31 to 60 days	**7,070**	3,670
61 to 90 days	**8,353**	6,604
Over 90 days	**9,929**	10,959
	45,839	30,173

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2019 (2018: nil). No interim dividend was declared and paid during the year (2018: nil). On 19 April 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to approximately HK$33.1 million and was paid on 26 May 2017.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Thursday, 22 August 2019 (the "**AGM**"). Notice of the AGM will be published and issued to the shareholders of the Company in due course.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the "Branch Share Registrar"), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 19 August 2019 to Thursday, 22 August 2019 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 16 August 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of financial performance

For the year ended 31 March 2019, the Group recorded a consolidated revenue of approximately HK$214 million (2018: HK$222 million), representing a decrease of 3% from the last year. The decline in revenue was mainly due to the competitive pricing strategy for the printed products in order to maintain a substantial market share under the keen market competition, as well as to overcome the weaker demand caused by the decelerating economic growth momentum under rising global trade tensions during the year. Consequently, the Group's gross profit decreased by 5% from last year to approximately HK$67 million for the year ended 31 March 2019 (2018: HK$70 million), while the gross margin was able to maintain at 31% (2018: 31%) of the consolidated revenue as the Group was benefited from the production efficiency enhancement from new facilities and the cost control measures of the printing business.

As a result of the upgrade in printing production line and the business development for the printing business and the property development business, the Group's selling and marketing expenses as well as administrative and other operating expenses recorded a moderate increment of 8% as compared to last year, amounted to approximately HK$16 million (2018: HK$14 million) and HK$59 million (2018: HK$55 million) respectively.

The Group's other income, expense and net (losses)/gains amounted to a net loss of approximately HK$1 million (2018: net gain of approximately HK$12 million), which included the professional fees of approximately HK$10 million (2018: nil) incurred for the proposed acquisition of a property development project in Sichuan Province, the PRC. The amount also included the fair value loss on mark-to-market valuation of quoted bonds of approximately HK$1 million (2018: HK$3 million) and net exchange gain, mainly resulting from the translation of Renminbi receivables and payables to Hong Kong dollars, of approximately HK$2 million (2018: HK$7 million).

The fair value gain from revaluation of investment properties amounted to approximately HK$17 million (2018: HK$5 million), which was contributed from the properties located in Hong Kong and Mainland China. The Group's finance costs increased to approximately HK$5 million (2018: HK$2 million), which was derived from borrowings relating to certain Hong Kong properties acquired in prior year.

During the year under review, the Group recorded a profit before taxation of approximately HK$3 million (2018: HK$16 million), which was contributed from the following operating segments and factors:

(i) Printing business – profit of approximately HK$1 million (2018: HK$2 million);

(ii) Property investment – profit of approximately HK$25 million (2018: HK$12 million);

(iii) Property development – nil (2018: nil);

(iv) Securities investment and trading – profit of approximately HK$4 million (2018: HK$5 million);

(v) Net corporate expenses and other businesses of approximately HK$22 million (2018: HK$1 million), which included net exchange gain of approximately HK$2 million (2018: HK$7 million) and professional fees incurred for a potential acquisition of approximately HK$10 million (2018: nil); and

(vi) Finance costs of approximately HK$5 million (2018: HK$2 million).

Profit for the year attributable to equity holders of the Company amounted to approximately HK$3 million (2018: HK$15 million), and earnings per share was 0.08 HK cent (2018: 0.44 HK cent). The decrease in profit was mainly attributable to a combination of i) a one-off transaction cost incurred for the proposed acquisition of a property development business in Sichuan Province, the PRC; ii) the drop in profit contribution from the printing business; and iii) the decrease in net exchange gain resulting from the translation of Renminbi receivables and payables to Hong Kong dollars; which were partially off-set by the higher profit contribution from the property investment business which benefited from its property revaluation gain.

Review of financial position

Regarding the Group's financial position as at 31 March 2019, total assets increased by 2% to approximately HK$967 million (2018: HK$951 million). As at 31 March 2019, net current assets amounted to approximately HK$65 million (2018: HK$192 million), whereas current ratio deriving from the ratio of current assets to current liabilities decreased to 1.30 times (2018: 2.17 times). The change in financial position was mainly attributable to the prepayment for acquisition of a property development business in Sichuan Province, the PRC during the year. The Group continues to maintain its liquidity position at an industry-wide healthy level.

The net cash inflow from operating activities was approximately HK$27 million (2018: HK$44 million) and the net cash outflow from investing activities was approximately HK$97 million (2018: HK$145 million). Taken into account the net cash inflow from financing activities of approximately HK$14 million (2018: outflow of approximately HK$51 million), the Group recorded a net decrease in cash and cash equivalents of approximately HK$56 million (2018: HK$152 million). After accounting for the exchange loss on cash and cash equivalents of approximately HK$4 million (2018: gain of HK$0.3 million) during the year, the balance of cash and cash equivalents amounted to approximately HK$68 million as at 31 March 2019 (2018: HK$128 million).

Shareholders' funds attributable to equity holders of the Company decreased by 2% to approximately HK$627 million (2018: HK$638 million), representing HK$0.19 per share (2018: HK$0.19 per share) as at 31 March 2019. The change in equity was resulted from (a) the net profit for the year of approximately HK$3 million; and net of (b) the Renminbi exchange loss arising from translation of foreign operations of approximately HK$14 million during the year.

Review of operations and business development

Printing business

The printing business includes the manufacture and sale of printed products, including art books, packaging boxes and children's books, with production facilities located in Huizhou City, Guangdong Province, the PRC. It recorded an operating profit of approximately HK$1 million (2018: HK$2 million) for the year under review, which was affected by the drop in revenue during the year under review.

Being affected by the weak market sentiment amid rising global trade tensions, the printing business strived to maintain its competitive edge by adopting an aggressive pricing strategy and resulted in a slight drop in revenue to approximately HK$199 million (2018: HK$204 million) for the year under review. Nevertheless, this enables the business to maintain a considerable market share and to explore emerging opportunities brought by customers for various printing product mix. Innovative design prototypes are developed to widen the product varieties, so as to strengthen the existing partnerships with major customers and to bargain for new orders. On the other hand, the printing business is able to maintain a relatively stable gross margin. To cope with the pricing pressure, new manufacturing facilities have been brought into production to lower the maintenance costs and to assure satisfactory production quality by minimizing production defects. Inflationary pressure on printing material and labour costs has also been tackled by enhancing the production efficiency and streamlining the procurement logistics.

Facing challenges brought by global tariffs uncertainties, the management has considered a broad range of options including sourcing, manufacturing, distribution, logistics and market diversification solutions to mitigate the impact to a minimum. The management remains cautiously optimistic about the business growth momentum in an effort to channel risk into new growth opportunities through exploring new markets and expanding its client base.

Property investment business

The property investment business involves the investment and leasing of real estate properties, which recorded an operating profit of approximately HK$25 million (2018: HK$12 million) for the year under review. The remarkable increase of its operating profit was resulted from the increase in the fair value revaluation gain arising from the investment properties located in Hong Kong and Mainland China which amounted to approximately HK$17 million (2018: HK$5 million).

As at 31 March 2019, the Group held the following investment properties carried at fair market value of approximately HK$523 million (2018: HK$516 million) and contributed rental income of approximately HK$11 million (2018: HK$11 million) during the year:

Location	Gross Floor Area	Usage
Investment properties in Hong Kong		
Shop B, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon	1,014 sq ft	Commercial
Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon	1,293 sq ft	Commercial
Shops 3, 4, 5, Parkes Residence, No. 101 Parkes Street, Kowloon	2,090 sq ft	Commercial
Investment properties in Mainland China		
Level 6, Chengdu Digital Plaza, No. 1 Renmin South Road Fourth Portion, Wuhou District, Chengdu City, Sichuan Province, the PRC	4,255 sq m	Commercial
Units 01, 02, 03, 06 and 07, 38th Floor, R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC	895 sq m	Office

The portfolio of investment properties was acquired for long term investment purpose so as to provide a stable income stream to the Group. The Group is monitoring the capital gain and rental yield of the portfolio and is positioned to seek further investment opportunities in the business.

Property development business

The property development business involves the development, sale and trading of real estate properties. As at 31 March 2019, the Group held 18 units of residential villas at the estate "Beverly Hills" situated in Changsha City, Hunan Province, the PRC, for sale with total gross floor area of approximately 5,600 sq m and carrying value of approximately HK$54 million (2018: HK$57 million). The properties had not contributed to the operating profit of the Group for the year under review. Taking reference to the latest regional urban planning and development of Changsha City, the management is optimistic about the prospect of these higher-end residential properties and expects to bring substantial yield in the foreseeable future.

In view of expanding the property development business segment to capture the rapid growth of the property market in Mainland China, the Group announced on 8 October 2018 that it proposed to acquire a property development project at Zigong City, Sichuan Province, the PRC containing three plots of land covering an aggregate gross floor area of no less than approximately 700,000 sq m for residential use at a total consideration of HK$400 million. The Group also agreed to pay, in addition, the conditional payment of up to HK$200 million to the seller in proportion to the fulfilment of the profit target or of the delivery target, whichever is lower, in accordance with the terms and conditions of the sales and purchase agreement of the said acquisition. Zigong City is located between Chengdu City, Sichuan Province, and Chongqing City, while the project is located in its high-tech industrial development zone which is also a tourism region at Zigong City. Having considered the positive response from pre-sale of the project's residential units and the increasing trend in average selling price of residential properties in Zigong City, the management of the Group considers that the proposed acquisition will deliver attractive return to our shareholders from sales of the residential units. The acquisition was approved by the shareholders of the Company at the extraordinary general meeting held on 21 March 2019, while completion of the acquisition will take place after all the conditions precedent have either been fulfilled or waived on or before 30 September 2019. For further details of the said acquisition, please refer to the section headed "Major Transaction" below.

The Group is exploring other business opportunities arising from the thriving property market of various regions with a view to expanding our property development and sale operations in the near future.

Securities investment and trading business

The security investment and trading business involves the investment and trading of listed debt and equity instruments, which recorded an operating profit of approximately HK$4 million (2018: HK$5 million) for the year.

As at 31 March 2019, the Group held quoted corporate bonds carried at mark-to-market valuation of approximately HK$32 million (2018: HK$68 million), equivalent to approximately 3% (2018: 7%) of the Group's total assets. The portfolio of corporate bonds held by the Group as at 31 March 2019 comprised an investment grade rating senior note issued by a Hong Kong property developer in face value of US$4 million. During the year, the portfolio of corporate bonds generated interest income of approximately HK$5 million (2018: HK$8 million) and incurred a fair value loss on mark-to-market valuation of approximately HK$1 million (2018: HK$3 million).

Facing the rapidly changing investment environment with high volatility, the management is monitoring closely on the portfolio's underlying price risk and credit risk and will rebalance the portfolio whenever the management considers it appropriate. The Group remains cautious in selecting investment opportunities, while striving to achieve an optimal risk-return balance derived from its overall return.

Liquidity and capital resources

As at 31 March 2019, the Group's total assets amounted to approximately HK$967 million (2018: HK$951 million), which were financed by shareholders' funds and various credit facilities. Banking facilities are maintained to finance the Group's working capital and committed capital expenditures, which bear interest at market rate with contractual terms of repayment ranging from within one year to 17 years. The Group adopts a treasury policy to maximize the return on equity, which manages the funding requirements for new capital projects by considering all available options including a hybrid of debt and equity financing.

The Group mainly generated income and incurred costs in Hong Kong dollar, United States dollar and Renminbi. During the year, neither any financial instruments had been used for hedging purpose, nor foreign currency net investments had been hedged by currency borrowings or other hedging instruments. The Group manages the exposures of fluctuation on exchange rate and interest rate on individual transaction basis.

As at 31 March 2019, the Group's bank borrowings amounted to approximately HK$135 million (2018: HK$115 million) with approximately HK$71 million (2018: HK$26 million) repayable within one year and approximately HK$64 million (2018: HK$89 million) repayable after one year. The bank borrowings of approximately HK$132 million (2018: HK$115 million) were denominated in Hong Kong dollar and approximately HK$3 million (2018: Nil) were denominated in United States dollars, which bore interest at floating rate. The Group's gearing ratio was 0.21 (2018: 0.18), which was calculated based on the ratio of total bank borrowings of approximately HK$135 million (2018: HK$115 million) to the shareholders' funds of approximately HK$627 million (2018: HK$638 million).

As at 31 March 2019, the Group's cash and bank balances amounted to approximately HK$68 million (2018: HK$128 million), of which approximately HK$7 million (2018: HK$50 million) was denominated in Hong Kong dollar, approximately HK$35 million (2018: HK$47 million) was denominated in United States dollar, approximately HK$26 million (2018: HK$30 million) was denominated in Renminbi and approximately HK$0.1 million (2018: HK$1 million) was denominated in other currencies. As at 31 March 2019, the Group had a net debt position (being bank borrowings net of cash and bank balances) of approximately HK$67 million (2018: net cash of HK$13 million).

Outlook

Confronting the recent volatility in the global financial markets, the softening global growth and the subdued investment in emerging markets, the Group faces more significant challenges to sustain the growth momentum. The Group has refined its strategic development by focusing in the property investment and property development businesses in order to capture opportunities emerging from the real estate market, especially the residential market in Mainland China which its near-term outlook remains positive.

Leveraging on the effective risk management and internal control to drive the business performance, the management of the Group is staying particular alert on volatility in pricing of assets affecting our investment properties and quoted bonds portfolios. Anchored by decades of remarkable operation and expertise of our printing business as well as adoption of cautious debt management, the Group is able to continue looking into growth-enhancing investment opportunities in the market.

CONTINGENT LIABILITY

As at 31 March 2019, the Group had no contingent liability (2018: nil).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2019, the Group, including its subcontracting processing plants, employed 618 staff and workers (2018: 604). The Group provides its employees with benefits including performance-based bonus, retirement benefit contribution, medical insurance and staff training. Also, the Company adopts a share option scheme to provide alternative means to align the employees' career goal with the Group's business strategy.

PLEDGE OF ASSETS

As at 31 March 2019, the Group pledged certain assets including prepaid land lease payments, property, plant and equipment, investment properties and accounts receivable with an aggregate carrying value of approximately HK$326 million (2018: HK$319 million) to secure bank borrowings of the Group.

COMMITMENTS

As at 31 March 2019, the Group had capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment of approximately HK$1 million (2018: HK$8 million). Also, the Group is committed to settle the remaining acquisition consideration of HK$320 million for a property development business upon completion of the sale and purchase agreement (2018: nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2019.

CORPORATE GOVERNANCE

The Company has applied the principles of and has complied with all code provisions contained in the Corporate Governance Code as set out in Appendix 14 to 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 2019.

SIGNIFICANT EVENTS THROUGHOUT THE YEAR – CHANGE OF COMPANY NAME

Pursuant to a special resolution passed on 29 June 2018, the English name of the Company has been changed from "Midas International Holdings Limited" to "Magnus Concordia Group Limited" and the Chinese name "融太集團股份有限公司" has been adopted as dual foreign name in place of former Chinese name "勤達集團國際有限公司" which was used for identification purpose only.

MAJOR TRANSACTION

On 8 October 2018, Clever Star Development Limited (a wholly-owned subsidiary of the Company) (the "**Purchaser**") and the Company entered into a sale and purchase agreement (the "**Agreement**") with Huijin Dingsheng International Holding Co., Ltd.（匯金鼎盛國際控股有限公司）(the "**Seller**"), pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell, the entire issued share capital of Jinjin Investments Co., Limited（金錦投資有限公司）(the "**Target Company**") at a consideration of HK$400 million in accordance with the terms and conditions of the Agreement. The consideration shall be satisfied by: (i) the payment of the deposit of HK$80 million; (ii) the allotment and issuance of 662,162,483 Shares ("**Consideration Shares**") at the Issue Price of HK$0.21 by the Company to the Seller on the date of completion; and (iii) the payment of approximately HK$181 million by the Purchaser to the Seller in cash on the date of completion, subject to retention of the tax payable by the Seller as required and estimated pursuant to relevant PRC tax laws in relation to the subject acquisition.

The Purchaser also agreed to pay, in addition, a conditional payment of up to HK$200 million to the Seller in proportion to the fulfillment of the profit target or of the delivery target, whichever is lower, in accordance with the terms and conditions of the Agreement.

The conditions precedent to completion of the Agreement include but are not limited to: (1) approvals having been obtained from the Shareholders at the EGM for the Agreement and the transactions contemplated thereunder; (2) approval having been obtained from the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Main Board of the Stock Exchange; (3) the Purchaser or the Company having obtained and drawn down the required bank loan for financing the said acquisition; and (4) the Purchaser having obtained a valuation report from a professional valuer confirming the appraisal value of the Target Company and its subsidiaries of not less than HK$600 million.

The acquisition was approved by the shareholders of the Company at the extraordinary general meeting held on 21 March 2019 and the completion of the Agreement will take place after all the conditions precedent have either been fulfilled or waived on or before 30 September 2019 (or such later date as the parties to the Agreement may agree in writing) and has not yet completed as of the date of this announcement.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the said acquisition (calculated based on the aggregate of the consideration and the conditional Payment) are more than 25% but are all less than 100%, the said acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

Details of the transaction were set out in the announcements of the Company dated 8 October 2018, 21 December 2018 and 20 June 2019; and the circular of the Company dated 28 February 2019, respectively.

MODEL 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 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. In response to specific enquiries by the Company, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2019.

COMPETING INTERESTS

As at 31 March 2019, the Directors were not aware of any business or interest of each Director, and their respective close associates that competes or may compete with the business of the Group and any other conflicts of interest which any such persons have or may have with the Group.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2019 have been agreed by the Group's independent auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 March 2019 and up to the date of this announcement.

AUDIT COMMITTEE

An audit committee was established by the Company (the "**Audit Committee**") with clear terms of reference. The current members of the Audit Committee are three independent non-executive Directors, namely Mr. Ho Man (chairman of the Audit Committee), Mr. Lam Chi Hung Louis and Mr. Hung Kin Man.

The principal duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or independent auditor before submission to the Board; reviewing and supervising the Group's financial reporting process and its financial control, risk management and internal control systems, and reviewing the relationship with and the terms of appointment of the independent auditor and making relevant recommendation to the Board.

The Audit Committee had reviewed the Group's consolidated financial statement for the year ended 31 March 2019, including the accounting principles and practices adopted by the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the Directors, as at the date of this announcement, the Company has maintained sufficient public float as required by the Listing Rules throughout the year ended 31 March 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed and traded on the Stock Exchange (2018: nil).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of The Stock Exchange (www.hkexnews.hk) and the Company (www.mcgrouphk.com). The annual report of the Company for the year ended 31 March 2019 containing all applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

We would like to take this opportunity to express our gratitude to our shareholders, customers and partners for their continuous support and confidence in the Group, as well as our appreciation to our executives and staff for their dedication and contribution throughout the year.

By Order of the Board
Magnus Concordia Group Limited
Li Qing
Director

Hong Kong, 21 June 2019

As at the date of this announcement, Mr. Li Qing and Ms. Au Hoi Lee Janet are the executive directors of the Company, and Mr. Lam Chi Hung Louis, Mr. Hung Kin Man and Mr. Ho Man are the independent non-executive directors of the Company.