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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)

PROFIT WARNING

This announcement is made by Magnus Concordia Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 and information currently available to the management, the Group is expected to record a loss attributable to owners of the Company of approximately HK\$270 million for the year ended 31 March 2022, as compared with a profit attributable to owners of the Company of approximately HK\$3 million for the year ended 31 March 2021.

The Board considers that the turnaround of the Group’s results was mainly affected by the net loss of the property development business, mainly resulting from the provision for write-down of stock of properties made as at 31 March 2022 for the property development project in Zigong City, Sichuan Province, the People’s Republic of China. The Company measured the stock of properties at the lower of cost and net realizable value, and made provision for impairment loss arising from the excess of carrying values of the properties over their recoverable amounts.

Liquidity issues of numerous property developers emerged during the current financial year and the market-cooling regulatory measures had scaled down the overall real estate market in Mainland China by a significant year-on-year drop in contracted residential property sales. Property developers of non-first-tier cities react by triggering price discounting to spur home sales and recoup cash. Moreover, the escalating construction costs inflation further deteriorated the gross margin of property developers. Consequently, the gross margin of our high-end residential villas and car parks in Zigong City was being particularly affected and an excess of carrying values of the properties over their recoverable amounts was resulted. Accordingly, a provision for impairment on the stock of properties was made as at 31 March 2022 in accordance with the relevant accounting policies of the Company.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 March 2022 (the “**Annual Results**”). The information contained in this announcement is only based on the preliminary assessment of the Group’s unaudited consolidated management accounts and information currently available to the management of the Group, which is subject to finalization and adjustments, if any, and has not been audited by the independent auditor of the Company nor reviewed by the audit committee of the Board. The audited Annual Results announcement will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Magnus Concordia Group Limited
Zeng Zhu
Director

Hong Kong, 20 June 2022

As at the date of this announcement, Ms. Au Hoi Lee Janet, Ms. Zeng Zhu and Mr. Liang Fan are the executive directors of the Company, and Mr. Ho Man, Mr. Xu Jianfeng and Mr. Wang Zhengjun are the independent non-executive directors of the Company.