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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)

**FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Magnus Concordia Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**year under review**”) with the corresponding comparative figures for the year ended 31 March 2024 as follows:

FINANCIAL HIGHLIGHTS			
	For the year ended		
	31 March 2025	31 March 2024	Change
Revenue	HK\$206 million	HK\$271 million	–24%
Gross profit	HK\$38 million	HK\$50 million	–24%
Loss attributable to owners of the Company	HK\$(85) million	HK\$(117) million	–27%
Loss per share	(1.47) HK cents	(2.03) HK cents	–28%
	As at		
	31 March 2025	31 March 2024	Change
Shareholders’ funds	HK\$57 million	HK\$142 million	–60%
Net asset value per share	HK\$0.01	HK\$0.02	–50%

RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	205,814	271,012
Cost of sales		<u>(167,670)</u>	<u>(221,481)</u>
Gross profit		38,144	49,531
Other income, expense and net losses	7	(10,558)	(7,277)
Selling and marketing expenses		(8,779)	(15,249)
Administrative and other operating expenses		(35,950)	(66,482)
Impairment of stock of properties	8	(15,373)	(4,548)
Reversal of impairment/(impairment) of accounts receivable		1,842	(2,960)
Change in fair value of investment properties	14	(48,059)	(71,650)
Fair value change of financial assets at fair value through profit or loss		<u>–</u>	<u>(488)</u>
Operating loss	9	(78,733)	(119,123)
Finance costs	10	<u>(7,435)</u>	<u>(10,151)</u>
Loss before tax		(86,168)	(129,274)
Income tax credit	11	<u>996</u>	<u>11,857</u>
Loss for the year		<u>(85,172)</u>	<u>(117,417)</u>
Other comprehensive loss:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(307)</u>	<u>(5,767)</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(85,479)</u>	<u>(123,184)</u>
Basic and diluted loss per share (HK cents)	13	<u>(1.47)</u>	<u>(2.03)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		9,685	11,427
Right-of-use assets		3,632	13,396
Investment properties	<i>14</i>	231,600	320,804
Intangible assets		424	—
Other assets		11,490	16,407
Deferred tax assets		3,220	3,473
Total non-current assets		260,051	365,507
CURRENT ASSETS			
Inventories		8,903	10,197
Completed properties for sale		179,324	262,501
Accounts receivable	<i>15</i>	66,824	32,848
Prepayments, other receivables and other assets		69,788	48,659
Restricted bank balances		3,559	8
Cash and bank balances		20,299	35,308
Total current assets		348,697	389,521
CURRENT LIABILITIES			
Accounts payable	<i>16</i>	60,360	65,965
Accrued charges and other payables		44,362	52,654
Contract liabilities		3,741	8,484
Bank and other borrowings		127,654	129,432
Tax payable		294,364	297,625
Lease liabilities		794	1,523
Total current liabilities		531,275	555,683
NET CURRENT LIABILITIES		(182,578)	(166,162)
TOTAL ASSETS LESS CURRENT LIABILITIES		77,473	199,345

	2025 HK\$'000	2024 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Bank and other borrowings	4,000	26,379
Deferred tax liabilities	16,190	21,347
Lease liabilities	625	9,482
	<hr/>	<hr/>
Total non-current liabilities	20,815	57,208
	<hr/>	<hr/>
NET ASSETS	56,658	142,137
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the Company		
Share capital	577,920	577,920
Deficit	(521,262)	(435,783)
	<hr/>	<hr/>
TOTAL EQUITY	56,658	142,137
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Magnus Concordia Group Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Units 02–03, 7/F, Tung Wai Commercial Building, 109–111 Gloucester Road, Wan Chai, Hong Kong.

The Company is an investment holding company and the principal activities of the Company and its subsidiaries (collectively referred as the “**Group**”) are manufacturing and trading of printed products, property development, property investment and treasury business.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of HK\$85,172,000 and had net operating cash outflow of HK\$11,768,000 for the year ended 31 March 2025 and as at 31 March 2025 the Group had net current liabilities of HK\$182,578,000. In addition, the Group’s bank loans with the aggregate amount of HK\$88,000,000 as at 31 March 2025 contain repayment on demand clause and financial covenants which were breached during the year ended 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 March 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to improve the Group’s financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted several measures together with other measures in progress at the date when the consolidated financial statements are authorised for issue, which include, but are not limited to, the followings:

- (i) in relation to the borrowings that the Group had breached the financial covenants during the year ended 31 March 2025 and are classified as current liabilities, subsequent to the end of the reporting period, the Group has obtained a one-off waiver from the bank for the bank borrowing of HK\$88,000,000 and repaid HK\$4,000,000 to the bank. Further, the borrowings was secured by a pledge of investment properties amounting to approximately HK\$178,100,000. The directors of the Company is of the view that in the event that if the bank takes any legal action against the Group to demand immediate repayment, the investment properties will be disposed for the settlement, it would not have any material adverse impact on the business, operation and financial conditions of the Group;
- (ii) the Group has actively carried out promotional activities to attract more customers to purchase the completed properties in order to increase the sale proceeds through sales or pre-sales in the coming twelve months. Up to the date of approval of these consolidated financial statements, the Group has signed the sales and purchase agreements with customers amounting to HK\$19,975,000;

- (iii) the Group will also continue to seek for other alternatives to increase its working capital such as disposing of the Group's investment properties, if needed; and
- (iv) the Group will also continue to seek for other alternative financing and bank borrowing to finance the settlement of the existing financial obligations and future operating and capital expenditure.

On the basis of the successful implementation of the measures described above in the foreseeable future and after assessing the Group's current and forecasted cash positions, the directors of the Company are optimistic that the Group will be able to meet in full the Group's financial obligations as they fall due for the twelve months from 31 March 2025. Accordingly, the consolidated financial statements of the Group have been prepared on the going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may 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 these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The application of these new and revised HKFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, accounting principles generally accepted in Hong Kong, and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in the consolidated financial statements.

5. SEGMENT INFORMATION

Segment information by business lines

The operating segments of the Group are determined based on internal reporting to the Group's chief operation decision maker ("**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, of 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 development	—	Development, sale and trading of real estate properties
Property investment	—	Investment and leasing of real estate properties
Treasury	—	Investment and trading of debts, equity and other instruments, and asset management
Others and corporate	—	Other non-reportable business activities and operating segments and corporate not constituting a reportable segment individually, together with corporate income and expense items

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**"), representing segment results, and earnings or loss before interest expense, tax, depreciation and amortisation ("**EBITDA** or **LBITDA**").

Others and corporate segment assets mainly include certain cash and bank balances, short-term deposits, property, plant and equipment and right-of-use assets that are managed on a group basis.

Others and corporate segment liabilities mainly include certain bank and other borrowings and lease liabilities that are managed on a group basis and other unallocated liabilities.

The segment information by business lines is as follows:

	Printing HK\$'000	Property development HK\$'000	Property investment HK\$'000	Treasury HK\$'000	Others and corporate HK\$'000	Total HK\$'000
For the year ended 31 March 2025						
Segment revenue						
Sales to external customers	118,301	83,511	4,002	–	–	205,814
EBITDA/(LBITDA)	14,005	(24,355)	(53,216)	(1,531)	(10,283)	(75,380)
Depreciation	(2,558)	–	–	–	(795)	(3,353)
Segment results — EBIT/(LBIT)	11,447	(24,355)	(53,216)	(1,531)	(11,078)	(78,733)
Finance costs						(7,435)
Loss before tax						(86,168)
Income tax credit						996
Loss for the year						(85,172)
As at 31 March 2025						
Total assets	91,520	255,344	245,535	891	15,458	608,748
Total liabilities	62,084	377,362	16,993	61	95,590	552,090
	Printing HK\$'000	Property development HK\$'000	Property investment HK\$'000	Treasury HK\$'000	Others and corporate HK\$'000	Total HK\$'000
For the year ended 31 March 2024						
Segment revenue						
Sales to external customers	130,915	132,665	7,432	–	–	271,012
EBITDA/(LBITDA)	8,024	(34,630)	(74,108)	(1,249)	(12,430)	(114,393)
Depreciation	(3,108)	–	(92)	–	(1,530)	(4,730)
Segment results — EBIT/(LBIT)	4,916	(34,630)	(74,200)	(1,249)	(13,960)	(119,123)
Finance costs						(10,151)
Loss before tax						(129,274)
Income tax credit						11,857
Loss for the year						(117,417)
As at 31 March 2024						
Total assets	76,533	303,572	347,788	373	26,762	755,028
Total liabilities	64,838	397,422	29,448	246	120,937	612,891

Geographical segment information

The business of the Group operates in different geographical areas. Revenue is presented by the regions where customers are located. Non-current assets excluding intangible assets, other assets and deferred tax assets are presented by the regions where the assets are located. The segment information by geographical area is as follows:

	Revenue	
	2025	2024
	HK\$'000	HK\$'000
Mainland China	92,103	140,417
Hong Kong	5,286	7,697
United States of America	61,643	70,296
United Kingdom	30,772	27,119
France	1,084	11,239
Other regions	14,926	14,244
	<u>205,814</u>	<u>271,012</u>
	Non-current assets	
	2025	2024
	HK\$'000	HK\$'000
Mainland China	65,310	119,305
Hong Kong	179,607	226,322
	<u>244,917</u>	<u>345,627</u>

Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

	2025	2024
	HK\$'000	HK\$'000
Printing		
Customer A	25,132	N/A*
Customer B	27,884	N/A*
Property development		
Customer C	<u>32,027</u>	<u>N/A*</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers</i>		
Sale of printed products	118,301	130,915
Sale of properties	83,511	132,665
	<u>201,812</u>	<u>263,580</u>
<i>Revenue from other sources</i>		
Rental income	4,002	7,432
	<u>4,002</u>	<u>7,432</u>
Total revenue	<u>205,814</u>	<u>271,012</u>

Revenue from the sale of goods is recognised at a point in time when the goods are transferred and the control has been passed to customers, since only at that point in time the Group has an enforceable right to payment for the goods delivered.

Revenue from the sale of properties is recognised at a point in time when the completed properties are delivered to the buyers.

7. OTHER INCOME, EXPENSE AND NET LOSSES

An analysis of other income, expense and net losses is as follows:

	2025 HK\$'000	2024 HK\$'000
Bank interest income	375	580
Sales of scrap materials	45	92
Other service income	1,060	582
Gain on disposal of property, plant and equipment	11	1,530
Loss on disposal of investment properties	(7,089)	–
Loss on lease termination	(74)	–
Write-down of other assets	(4,917)	(7,755)
Impairment of prepayments	–	(780)
Impairment of intangible assets	(351)	–
Termination benefits costs	(59)	(292)
Net exchange gain	577	1,058
Sundries	(136)	(2,292)
	<u>(10,558)</u>	<u>(7,277)</u>

8. IMPAIRMENT OF STOCK OF PROPERTIES

An analysis of impairment of stock of properties is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment of completed properties for sale	<u>15,373</u>	<u>4,548</u>

9. OPERATING LOSS

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold (printing business)	88,618	99,713
Carrying amounts of properties sold	78,454	121,132
Depreciation of right-of-use assets	853	1,613
Depreciation of property, plant and equipment	2,500	3,117
Less: Amount capitalised and included in cost of inventories sold for printing business	<u>(1,082)</u>	<u>(1,329)</u>
Depreciation of property, plant and equipment included in selling and marketing expenses and administrative and other operating expenses	<u>1,418</u>	<u>1,788</u>
Impairment/(reversal of impairment) of inventories	424	(350)
(Reversal of impairment)/impairment of accounts receivable	(1,842)	2,960
Impairment of prepayments	–	780
Write-down of other assets	4,917	7,755
Government subsidies*	<u>(56)</u>	<u>(88)</u>

* *There are no unfulfilled conditions or contingencies relating to the subsidies.*

10. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	7,330	10,022
Interest on lease liabilities	105	129
Total finance costs	<u>7,435</u>	<u>10,151</u>

11. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Current — Mainland China		
Corporate income tax		
Charge for the year	1,719	3,346
Overprovision in prior years	(3)	—
Land appreciation tax		
Charge for the year	2,167	4,917
Deferred tax	<u>(4,879)</u>	<u>(20,120)</u>
Total tax credit for the year	<u>(996)</u>	<u>(11,857)</u>

12. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil). No interim dividend was declared during the year (2024: nil).

13. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$85,172,000 (2024: HK\$117,417,000) and the number of ordinary shares of 5,779,196,660 (2024: 5,779,196,660) in issue during the year.

The diluted loss per share is equal to the basic loss per share since there were no potential shares in issue during both years.

14. INVESTMENT PROPERTIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Carrying amount at the beginning of the year	320,804	398,771
Changes in fair value	(48,059)	(71,650)
Disposals	(40,722)	–
Exchange realignment	(423)	(6,317)
	<u>320,804</u>	<u>398,771</u>
Carrying amount at the end of the year	<u><u>231,600</u></u>	<u><u>320,804</u></u>

15. ACCOUNTS RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accounts receivable	71,014	38,881
Less: Impairment	(4,190)	(6,033)
	<u>71,014</u>	<u>38,881</u>
	<u><u>66,824</u></u>	<u><u>32,848</u></u>

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. Proceeds from sale of properties are received in advance or upon delivery of the completed properties to customers. For customers with long-term business relationship, a longer credit period may be granted. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable (mainly arising from printing business and sales of properties) based on the invoice date and net of loss allowance at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	37,564	11,569
31 to 60 days	6,067	5,762
61 to 90 days	7,410	6,668
Over 90 days	15,783	8,849
	<u>37,564</u>	<u>11,569</u>
	<u><u>66,824</u></u>	<u><u>32,848</u></u>

16. ACCOUNTS PAYABLE

An aging analysis of accounts payable at the end of the reporting period based on the date of suppliers' invoices is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	15,410	24,967
31 to 60 days	6,293	12,374
61 to 90 days	5,274	5,272
Over 90 days	33,383	23,352
	<u>60,360</u>	<u>65,965</u>

17. EVENT AFTER THE REPORTING PERIOD

In respect of the bank borrowing of HK\$88,000,000 which the Group breached the financial covenant during the year, the Group has obtained a one-off waiver from the bank on 27 June 2025 for the financial covenant of the aforesaid bank borrowing that throughout the life of the facility, the Group agrees and undertakes to the bank that its consolidated tangible net worth should not at any time be less than a certain level. This one-off waiver only applies to the Group's announcement of unaudited and audited annual results for the year ended 31 March 2025. The repayment schedules of the borrowing and the repayment on demand clause remain unchanged. Further, the Group has repaid HK\$4,000,000 to the bank on 8 April 2025 in accordance with the repayment schedule.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil). No interim dividend was declared and paid during the year (2024: nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Thursday, 28 August 2025 (the “**AGM**”). Notice of the AGM will be published and issued to the shareholders of the Company in due course.

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, 25 August 2025 to Thursday, 28 August 2025 (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 office in Hong Kong, Tricor Investor Services Limited (the “**Branch Share Registrar**”), at 17th floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of financial performance

For the year ended 31 March 2025, the Group recorded a consolidated revenue of approximately HK\$206 million (2024: HK\$271 million), representing a decrease of 24% from the last year. The drop in revenue was mainly resulted from the decrease in sales of residential units of a property development project in Zigong City, Sichuan Province, the People's Republic of China (the "PRC").

The Group's gross profit decreased by 24% from the last corresponding year to approximately HK\$38 million (2024: HK\$50 million). However, the Group's gross margin rose to 19% (2024: 18%) of the consolidated revenue, as a result of higher gross margin recorded from the sale of printed products in the printing business after spending efforts to lower the production costs. The printing business was able to expand its gross margin to 25% (2024: 24%).

During the year under review, a provision for impairment of stock of properties of approximately HK\$15 million (2024: HK\$5 million) was charged to the consolidated income statement for the property development project in Zigong City. Liquidity issues of numerous property developers in Mainland China continued to arise during the current financial year leading to a year-on-year drop in contracted residential property sales. Property developers of non-first-tier cities reacted by offering price discount to spur property sales and recoup cash. Consequently, the estimated gross margin of our high-end residential villas in Zigong City was being particularly affected and resulted in an excess of carrying values of the properties over their recoverable amounts. Accordingly, a provision for impairment on the stock of properties was made as at 31 March 2025 in accordance with the relevant accounting policies of the Company.

The Group's selling and marketing expenses as well as the administrative and other operating expenses dropped to approximately HK\$9 million (2024: HK\$15 million) and approximately HK\$36 million (2024: HK\$66 million) respectively, which was a result of the various cost control measures.

The Group's other income, expense and net losses, reversal of impairment/(impairment) of accounts receivable and fair value change of financial assets at fair value through profit or loss amounted to a net loss of approximately HK\$9 million (2024: HK\$11 million). The amount mainly included the reversal of impairment of accounts receivable of approximately HK\$2 million (2024: impairment of accounts receivable of approximately HK\$3 million), impairment of intangible assets of approximately HK\$0.4 million (2024: nil), write-down on other assets of approximately HK\$5 million (2024: HK\$8 million) and loss on disposal of investment properties of approximately HK\$7 million (2024: nil).

The fair value loss from revaluation of investment properties as at 31 March 2025 amounted to approximately HK\$48 million (2024: HK\$72 million). The market values of investment properties as at 31 March 2025 were being affected by the weak market sentiment resulting from the slower-than-expected growth in Mainland China and Hong Kong's economy, despite that stable rental income continues to be generated from such properties. Moreover, a shift in the Hong Kong market was observed, with increased cross-border consumption in Mainland China. This shift contributed to a moderation in the demand of properties for retail use.

The Group's finance costs during the year under review amounted to approximately HK\$7 million (2024: HK\$10 million), which were mainly related to interest charged by bank borrowings to finance the general working capital of the Group during the year. The decrease in finance costs was mainly due to the drop in Hong Kong Interbank Offered Rate and decrease in bank and other borrowings during the year.

During the year under review, the Group recorded a loss before tax of approximately HK\$86 million (2024: HK\$129 million), which was attributed to the following operating segments and factors:

- (i) Printing — profit of approximately HK\$11 million (2024: HK\$5 million);
- (ii) Property development — loss of approximately HK\$24 million (2024: HK\$35 million);
- (iii) Property investment — loss of approximately HK\$53 million (2024: HK\$74 million);
- (iv) Treasury — loss of approximately HK\$2 million (2024: HK\$1 million);
- (v) Net corporate expenses and other businesses of approximately HK\$11 million (2024: HK\$14 million); and
- (vi) Finance costs of approximately HK\$7 million (2024: HK\$10 million).

Loss for the year attributable to owners of the Company amounted to approximately HK\$85 million (2024: HK\$117 million), and loss per share was 1.47 HK cents (2024: 2.03 HK cents). The decrease in the Group's loss was mainly due to the reduction in net loss after taxation to approximately HK\$51 million (2024: HK\$64 million) of the property investment business, resulting from the decrease in the fair value loss from revaluation of investment properties as at 31 March 2025.

Review of financial position

Regarding the Group's financial position as at 31 March 2025, total assets decreased by 19% to approximately HK\$609 million (2024: HK\$755 million), which was mainly due to the recognition of carrying costs of stock of properties to costs of properties sold arising from the sale of properties during the year and the fair value loss from revaluation of investment properties made as at 31 March 2025. As at 31 March 2025, net current liabilities amounted to approximately HK\$183 million (2024: HK\$166 million), whereas current ratio deriving from the ratio of current assets to current liabilities amounted to 0.66 times (2024: 0.70 times). Such changes were mainly affected by the recognition of carrying costs of stock of properties to costs of properties sold arising from the sale of properties during the year.

The net cash outflow from operating activities was approximately HK\$12 million (2024: net cash inflow of approximately HK\$40 million). The net cash inflow from investing activities was approximately HK\$29 million (2024: HK\$2 million). Taking into account the net cash outflow from financing activities of approximately HK\$32 million (2024: HK\$43 million), the Group recorded a net decrease in cash and cash equivalents of approximately HK\$15 million (2024: HK\$1 million). After accounting for the exchange loss on cash and cash equivalents of approximately HK\$0.3 million during the year under review, the balance of cash and cash equivalents amounted to approximately HK\$20 million as at 31 March 2025 (2024: HK\$35 million).

Shareholders' funds attributable to owners of the Company decreased by 60% to approximately HK\$57 million (2024: HK\$142 million), representing HK\$0.01 per share (2024: HK\$0.02 per share) as at 31 March 2025. The change in equity was resulted from the net loss for the year of approximately HK\$85 million (2024: HK\$117 million), and after net of the Renminbi exchange loss arising from translation of foreign operations of approximately HK\$0.3 million (2024: HK\$6 million) during the year under review.

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 the production facilities located in Huizhou City, Guangdong Province, the PRC. It recorded an operating profit of approximately HK\$11 million (2024: HK\$5 million) for the year under review.

Under the influence of the soft demand of printed products resulting from the decelerating economic growth momentum under the high inflationary environment in Europe and the United States of America, the revenue of the printing business recorded a decline to approximately HK\$118 million (2024: HK\$131 million) for the year under review. However, the gross margin compared to last financial year has improved by adopting various cost control measures and by enhancing its competitive edge in innovative design, quality management and production resources. The management also reacts promptly to reduce the market challenges to a minimum by devising various modernized sourcing, manufacturing, distribution, logistics and market segmentation solutions.

The management remains cautiously optimistic about the growth momentum in the global book printing and paper packaging markets, and appropriate risk management and prompt business deployment have been carried out to channel threats into growth opportunities.

Property development business

The property development business involves the development, sale and trading of real estate properties principally in Mainland China. It recorded an operating loss of approximately HK\$24 million (2024: HK\$35 million) for the year. The operating loss was mainly resulted from the provision for impairment of stock of properties relating to the residential properties of approximately HK\$15 million (2024: HK\$5 million) for the property development project in Zigong City, which was affected by the liquidity crisis of property developers to recoup cash by lowering price. The project contributed revenue of approximately HK\$84 million (2024: HK\$85 million) to the Group, which was generated from the sale of residential units with gross floor area of approximately 8,000 square meters (“**sq m**”) (2024: 7,000 sq m) during the year.

On 1 August 2019, the Group acquired a residential property development business containing three plots of land forming part of the Zhonggang Shenhai Forest Project (中港榮海森林項目), located in the high-tech industrial development zone of the Yanluyu District of Wolong Lake in Zigong City, Sichuan Province, the PRC (中國四川省自貢市高新技術產業開發區高新臥龍湖鹽鹵浴片區). Despite the gross floor area of approximately 190,000 sq m being sold and delivered before the date of acquisition, the three plots of land have an aggregate remaining gross floor area of approximately 500,000 sq m available for sales recognition subsequent to 1 August 2019. As at 31 March 2025, out of this gross floor area of approximately 500,000 sq m, completed residential units with gross floor area of approximately 490,000 sq m had been delivered to customers. As at 31 March 2025, the carrying value of the completed properties for sale in Zigong City amounted to approximately HK\$179 million (2024: HK\$263 million).

During the year ended 31 March 2024, the last 15 units of residential villas at the estate Ju Hao Shan Zhuang (also known as Beverly Hills) situated in Changsha City, Hunan Province, the PRC with gross floor area of approximately 4,700 sq m had been sold and contributed revenue of approximately HK\$48 million to the Group. The Group no longer held any residential villas for sale as at 31 March 2025 and 31 March 2024.

The Group remains cautious in monitoring the real estate market in Mainland China in order to continue to optimise the operations of property development business to maximise return for its shareholders.

Property investment business

The property investment business involves the investment and leasing of real estate properties, which recorded an operating loss of approximately HK\$53 million (2024: HK\$74 million) for the year under review. The loss was mainly resulted from the unrealised revaluation loss of the investment properties located in Hong Kong and Mainland China of approximately HK\$48 million (2024: HK\$72 million), which their market values as at 31 March 2025 were being affected by the weak market sentiment resulting from the slower-than-expected growth in Mainland China and Hong Kong's economy. Moreover, a shift in the Hong Kong market was observed, with increased cross-border consumption in Mainland China. This shift contributed to a moderation in the demand of properties for retail use.

Meanwhile, the Group has fully disposed the investment properties located in Guangzhou City, Guangdong Province, the PRC with a net loss amounted to approximately HK\$7 million during the year under review.

As at 31 March 2025, the Group held the following investment properties carried at fair market value of approximately HK\$232 million (2024: HK\$321 million), which contributed rental income of approximately HK\$4 million (2024: HK\$7 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 square feet ("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 investment properties have been disposed during the year.

The Group remains cautiously optimistic about the prospect of the property investment business. 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 keeps on monitoring the capital change and rental yields of the portfolio and considers to rebalance the investment portfolio when ideal opportunities arise.

Treasury business

The treasury business involves the investment and trading of debts, equity and other treasury instruments, as well as the licensed regulated activities namely advising on securities (Type 4) and asset management (Type 9) under the Securities and Future Ordinance (Chapter 571 of the Law of Hong Kong) in Hong Kong. An operating loss of approximately HK\$2 million (2024: HK\$1 million) was recorded for the year under review, which was mainly affected by an impairment loss of intangible assets as at 31 March 2025 of approximately HK\$0.4 million (2024: nil).

The Group remains cautious in monitoring the investment portfolio's underlying price risk and credit risk by adopting an optimal risk-return balance investment strategy. In order to capture opportunities in the Hong Kong asset management market emerging from being a leading global financial hub within the Greater Bay Area, the Group is exploring into the financial and asset management services markets.

Liquidity and capital resources

As at 31 March 2025, the Group's total assets amounted to approximately HK\$609 million (2024: HK\$755 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 five 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, Renminbi and United States dollar. During the year under review, no financial instruments had been used for hedging purpose, and no 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 2025, the Group's bank and other borrowings amounted to approximately HK\$132 million (2024: HK\$156 million) while bank borrowings approximately HK\$105 million (2024: HK\$129 million) which were repayable on demand or within one year. The bank borrowings bore interest at floating rate, approximately HK\$88 million (2024: HK\$118 million) of which were denominated in Hong Kong dollar and approximately HK\$17 million (2024: HK\$11 million) of which were denominated in Renminbi. The Group's gearing ratio was 2.32 (2024: 1.10), which was calculated based on the ratio of total bank and other borrowings of approximately HK\$132 million (2024: HK\$156 million) to the shareholders' funds of approximately HK\$57 million (2024: HK\$142 million).

As at 31 March 2025, the Group's cash and cash equivalents and restricted bank balances amounted to approximately HK\$20 million (2024: HK\$35 million) and approximately HK\$4 million (2024: HK\$0.01 million) respectively. Approximately HK\$16 million (2024: HK\$12 million) of the Group's cash and cash equivalents and restricted bank balances were denominated in Hong Kong dollar, approximately HK\$0.1 million (2024: HK\$1 million) were denominated in United States dollar, approximately HK\$8 million (2024: HK\$22 million) were denominated in Renminbi and approximately HK\$0.2 million (2024: HK\$0.2 million) were denominated in other currencies. As at 31 March 2025, the Group had a net debt position (being bank and other borrowings net of cash and cash equivalents and restricted bank balances) of approximately HK\$108 million (2024: HK\$121 million).

Outlook

Looking ahead to 2025, inflation is expected to continue to slow down. Interest rates in major global economies are anticipated to have decreased in the first half of 2025 compared to the same period in 2024, and it is likely that rates will continue to decline further. This trend will set the stage for a stable reduction in interest rates over the coming years, fostering a recovery in global economic growth. It is expected that the Chinese government will intensify its efforts to stabilise macroeconomic growth, leading to gradual improvements in key economic indicators. The Chinese economy is projected to make consistent progress while maintaining stability.

Although economic recovery is expected, we believe that investors will maintain a cautious and conservative approach, only considering high-quality and impactful investments and seizing opportunities that have a solid foundation in the market to achieve risk diversification. Changes in investment sentiment will also result in fluctuations in the evaluation of real estate investment and fixed income investment returns.

Leveraging on the effective risk management and internal control systems, the Group is staying particular alert to market value volatility of our investment portfolios. Supported by decades of remarkable operation of the printing business, the Group is seeking further business development in growth-enhancing investment opportunities in various industries.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group provided financial guarantees in respect of mortgage loans made by certain banks to certain purchasers of the properties in the PRC, either directly provided to the banks or to the housing provident fund management center who arranged the bank mortgage, which amounted to approximately HK\$601 million (2024: HK\$706 million).

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed 114 staff and workers (2024: 119). The Group provides its employees with benefits including performance-based bonus, retirement benefits 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 2025, the Group pledged certain assets including right-of-use assets, property, plant and equipment and investment properties with an aggregate carrying value of approximately HK\$186 million (2024: HK\$234 million) to secure bank facilities of the Group. The bank facilities of the Group are also secured by charges over equity interests in a subsidiary of the Group as at 31 March 2024.

As at 31 March 2025, the other borrowings of approximately HK\$22,213,000 (2024: nil) are secured by the pledge of the Group's completed properties for sale amounting to approximately HK\$18,626,000 (2024: nil).

COMMITMENTS

As at 31 March 2025, the Group did not have capital expenditure contracted for but not provided for in the consolidated financial statements (2024: nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2025.

EVENT AFTER THE REPORTING PERIOD

In respect of the bank borrowing of HK\$88,000,000 which the Group breached the financial covenant during the year, the Group has obtained a one-off waiver from the bank on 27 June 2025 for the financial covenant of the aforesaid bank borrowing that throughout the life of the facility, the Group agrees and undertakes to the bank that its consolidated tangible net worth should not at any time be less than a certain level. This one-off waiver only applies to the Group's announcement of unaudited and audited annual results for the year ended 31 March 2025. The repayment schedules of the borrowing and the repayment on demand clause remain unchanged. Further, the Group has repaid HK\$4,000,000 to the bank on 8 April 2025 in accordance with the repayment schedule.

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 C1 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 2025.

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 C3 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 2025.

COMPETING INTERESTS

During the year ended 31 March 2025, none of the Directors or their respective close associates had any interest in a business that compete or is likely compete with the business of the Group.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this preliminary results announcement have been agreed by the Group's independent auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this preliminary results announcement.

EXTRACT OF 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:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Scope limitation relating to appropriateness of the going concern basis of accounting

We draw attention to note 2 to the consolidated financial statements, which mentions that the Group incurred a loss of HK\$85,172,000 and had net operating cash outflow of HK\$11,768,000 for the year ended 31 March 2025 and as at 31 March 2025 the Group had net current liabilities of HK\$182,578,000. In addition, the Group's bank loans with the aggregate amount of HK\$88,000,000 as at 31 March 2025 contain repayment on demand clause and financial covenants which were breached during the year ended 31 March 2025, as detailed in note 32 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company adopted several measures together with other measures in progress as described in note 2 to the consolidated financial statements to mitigate the liquidity pressure and improve its financial position and cash flows.

In respect of the Group has actively carried out promotional activities to attract more customers to purchase the completed properties in order to increase the sale proceeds through sales or pre-sales in the coming twelve months and seeking for other alternatives to increase its working capital such as disposing of the Group's investment properties, management was unable to provide us with sufficient information about the details of the plan, including the detailed timetable and actions to be implemented because of the unpredictable market changes. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to accelerate the sales of its properties.

In respect of seeking for other alternative financing and bank borrowings to finance, the settlement of the existing financial obligations and future operating and capital expenditure, management was unable to provide us with sufficient information about the details of the fund-raising plan and no new financing agreements have been reached. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to have the new financing.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

AUDIT COMMITTEE

An audit committee has been 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. Liu Ying Shun (chairman of the Audit Committee), Mr. Wang Zhengjun and Mr. Wang Ping.

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 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 has reviewed the Group's consolidated financial statements for the year ended 31 March 2025, including the accounting principles and practices adopted by the Group.

Based on this review and discussion with the management of the Company and taken into account the Directors' views thereto and the plans and measures undertaken by the Group to support the going concern assumptions used in preparation of the consolidated financial statements, the Audit Committee concurs with the Directors' assessment and the basis for forming such a view with respect to adopting going concern assumptions in the preparation of the consolidated financial statements.

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 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2025, 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 (2024: 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.mcgroup.hk). The annual report of the Company for the year ended 31 March 2025 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
Xiang Jun
Director

Hong Kong, 30 June 2025

As at the date of this announcement, the executive directors of the Company are Mr. Xiang Jun and Ms. Zhou Lan, and the independent non-executive directors of the Company are Mr. Wang Zhengjun, Mr. Liu Ying Shun and Mr. Wang Ping.