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美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8209)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Major Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; there are no other matters the omission of which would make any statement herein or this announcement misleading.

* For identification purpose only

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2014:

- Revenue increased by approximately 5.5% from approximately HK\$266.8 million for the year ended 31 March 2013 to approximately HK\$281.4 million for the year ended 31 March 2014
- Profit and total comprehensive income for the year attributable to owners of the Company decreased by approximately 45.7% from approximately HK\$23.5 million for the year ended 31 March 2013 to approximately HK\$12.8 million for the year ended 31 March 2014
- Excluding the one-off exceptional expenses for the listing exercise of the Group of HK\$12.2 million during the year ended 31 March 2014, profit and total comprehensive income for the year attributable to owners of the Company for the year ended 31 March 2014 would reach approximately HK\$25.0 million, representing a decrease of approximately 0.5% compared to the corresponding year ended 31 March 2013 of approximately HK\$25.1 million
- Basic earnings per share decreased from HK26.16 cents for the year ended 31 March 2013 to HK13.24 cents for the year ended 31 March 2014
- The Directors recommend the payment of a final dividend of HK8 cents per share

ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2014 together with the comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Revenue	4	281,434	266,833
Cost of sales		<u>(219,080)</u>	<u>(206,187)</u>
Gross profit		62,354	60,646
Other income	5	432	3
Other gains and losses, net	6	(312)	(227)
Promotion, selling and distribution expenses		(15,546)	(14,513)
Administrative expenses		(15,502)	(13,826)
Other expenses	5	(12,448)	(1,815)
Finance costs	7	<u>(1,575)</u>	<u>(1,362)</u>
Profit before taxation		17,403	28,906
Income tax expense	8	<u>(4,610)</u>	<u>(5,362)</u>
Profit and total comprehensive income for the year attributable to owners of the Company	9	<u>12,793</u>	<u>23,544</u>
Earnings per share, basic (HK cents)	11	<u>13.24</u>	<u>26.16</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	NOTES	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Property, plant and equipment		4,073	12,656
Interest in a joint venture		–	–
		<u>4,073</u>	<u>12,656</u>
Current assets			
Inventories	12	80,911	85,614
Trade and other receivables, deposits and prepayments	13	41,099	55,374
Amounts due from related parties		–	5,853
Amount due from a shareholder		–	3,033
Pledged bank deposits		5,593	–
Bank balances and cash		30,100	27,772
		<u>157,703</u>	<u>177,646</u>
Current liabilities			
Trade and other payables, accrued charges and deposits received	14	27,333	43,705
Amount due to a related party		–	410
Amount due to a shareholder		180	107
Tax liabilities		2,143	2,480
Obligations under finance leases – due within one year	15	473	1,690
Bank borrowings	16	8,584	31,825
		<u>38,713</u>	<u>80,217</u>
Net current assets		<u>118,990</u>	<u>97,429</u>
Total assets less current liabilities		<u>123,063</u>	<u>110,085</u>
Capital and reserves			
Issued capital	18	1,200	10
Reserves		120,741	103,866
Total equity		<u>121,941</u>	<u>103,876</u>
Non-current liabilities			
Obligations under finance leases – due after one year	15	964	5,392
Deferred tax liability	17	158	817
		<u>1,122</u>	<u>6,209</u>
		<u>123,063</u>	<u>110,085</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2012	10	–	–	–	49,839	49,849
Profit and total comprehensive income for the year	–	–	–	–	23,544	23,544
Deemed contribution from Rouge & Blanc Wines Limited	–	–	–	30,483	–	30,483
At 31 March 2013	10	–	–	30,483	73,383	103,876
Profit and total comprehensive income for the year	–	–	–	–	12,793	12,793
Dividend declared (note 10)	–	–	–	–	(22,550)	(22,550)
Effect of reorganisation	(10)	104,912	(104,902)	–	–	–
Capitalisation issue (note 18)	900	(900)	–	–	–	–
Issue of shares (note 18)	300	32,700	–	–	–	33,000
Transaction costs attributable to issue of shares	–	(5,178)	–	–	–	(5,178)
At 31 March 2014	1,200	131,534	(104,902)	30,483	63,626	121,941

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revision) Chapter 22 of the Cayman Islands on 2 April 2013 and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 January 2014. The addresses of the Company’s registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Suite 822, Ocean Centre, Harbour City, 5 Canton Road, Kowloon, Hong Kong respectively.

The Company is an investment holding company and its principal subsidiary is mainly engaged in sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong.

The functional currency of the Company is Hong Kong dollar (“HK\$”), which is the same as the presentation currency of the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 March 2014, the Group has adopted all the HKFRSs which are effective for the financial year beginning 1 April 2013.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ³
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁶
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁶
Amendments to HKAS 19	Defined benefit plans: Employee contributions ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ⁴
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ³
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ³
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ³
HKFRS 9	Financial instruments ⁴
HKFRS 14	Regulatory deferral accounts ⁵
HK(IFRIC) – Int 21	Levies ³

¹ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

² Effective for annual periods beginning on or after 1 July 2014.

³ Effective for annual periods beginning on or after 1 January 2014.

⁴ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

⁵ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

⁶ Effective for annual periods beginning on or after 1 January 2016.

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the“GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount. The Group’s operation is solely derived from sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong for both years. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Group) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

The following is an analysis of the Group’s revenue from its major products:

	2014	2013
	HK\$’000	HK\$’000
Red wine	265,474	252,666
White wine	6,004	7,606
Sparkling wine	2,349	2,549
Spirits	6,779	3,198
Wine accessory products	744	750
Other products	84	64
	281,434	266,833

Geographical information

No geographical segment information is presented as the Group’s revenue are all derived from Hong Kong based on the location of goods delivered and the Group’s property, plant and equipment amounting to HK\$4,073,000 (2013: HK\$12,656,000) as at 31 March 2014 are all located in Hong Kong by physical location of assets.

Information about major customers

There is one customer contributing over 10% of total revenue of the Group and is as follows:

	2014	2013
	HK\$’000	HK\$’000
Customer A	43,870	41,529

5. OTHER INCOME/OTHER EXPENSES

	2014 HK\$'000	2013 HK\$'000
Other income		
Bank interest income	1	3
Others	431	–
	<u>432</u>	<u>3</u>
Other expenses		
Listing expenses	12,216	1,580
Others	232	235
	<u>12,448</u>	<u>1,815</u>

6. OTHER GAINS AND LOSSES, NET

	2014 HK\$'000	2013 HK\$'000
Loss on disposal of property, plant and equipment	(166)	–
Loss on disposal of subsidiaries	(19)	–
Net foreign exchange losses	(127)	(217)
Impairment on amount due from a joint venture	–	(10)
	<u>(312)</u>	<u>(227)</u>

7. FINANCE COSTS

	2014 HK\$'000	2013 HK\$'000
Interests on:		
Bank borrowings wholly repayable within five years	1,347	1,146
Obligations under finance leases	228	216
	<u>1,575</u>	<u>1,362</u>

8. INCOME TAX EXPENSE

	2014 HK\$'000	2013 HK\$'000
Hong Kong Profits Tax:		
Current year	5,558	4,923
(Over) underprovision in prior years	(289)	104
	5,269	5,027
Deferred tax (note 17)		
Current year	(659)	335
	4,610	5,362

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

No provision for the People's Republic of China Enterprise Income Tax has been made as the subsidiary was inactive for both years.

The income tax expense for the year can be reconciled to the profit before taxation as follows:

	2014 HK\$'000	2013 HK\$'000
Profit before taxation	17,403	28,906
Tax at the profits tax rate of Hong Kong of 16.5%	2,871	4,769
Tax effect of income not taxable for tax purpose	(11)	–
Tax effect of expenses not deductible for tax purpose	2,129	499
(Over) underprovision in respect of prior years	(289)	104
Others	(90)	(10)
Income tax expense for the year	4,610	5,362

In March 2014, the Hong Kong Inland Revenue Department (“IRD”) initiated a tax audit on a subsidiary of the Company for the years of assessment from 2009/10 onwards. The IRD has commenced to obtain information and documents from the Group for the purpose of this tax audit. The scope and outcome of the tax audit cannot be readily ascertained at this stage. The directors of the Company believe that no significant amount of additional profits tax will be payable by the Group in respect of the Company and the relevant subsidiary and no provision for additional Hong Kong profits tax is necessary.

9. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2014 HK\$'000	2013 HK\$'000
Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
Auditor's remuneration	600	200
Directors' remuneration		
Directors' fee	90	–
Salaries and other emoluments	2,015	2,861
Retirement benefits scheme contributions	47	30
Less: bonuses waived	–	(3,000)
	<u>2,152</u>	<u>(109)</u>
Other staff costs:		
Salaries and other benefits	7,343	7,539
Sales commission	1,951	1,293
Retirement benefits scheme contributions	531	299
	<u>11,977</u>	<u>9,022</u>
Depreciation of property, plant and equipment	2,256	2,061
Cost of inventories recognised as cost of sales	219,080	206,187
Including: Reversal of allowance for inventories, net	(20)	(2,399)
Operating lease payments in respect of office premises, warehouses and retail shop	5,726	5,758
	<u>5,726</u>	<u>5,758</u>

10. DIVIDEND

Prior to the reorganisation, during the year ended 31 March 2014, Major Cellar Company Limited (“Major Cellar”), a subsidiary of the Company, declared total dividends of HK\$22,550,000 to its then shareholders.

The rate of dividend and the number of shares ranking for dividend are not presented as such information is not considered meaningful.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2014 of HK8 cents per share, amounting to HK\$9,600,000, has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2014 HK\$'000	2013 HK\$'000
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	<u>12,793</u>	<u>23,544</u>
	2014	2013
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>96,657,600</u>	<u>90,000,000</u>

The calculation of the weighted average number of shares outstanding during the years ended 31 March 2014 and 2013 have been adjusted for the effect of the reorganisation and the Capitalisation Issue (as defined in note 18).

No diluted earnings per share is presented for both years as there were no potential ordinary shares outstanding for both years.

12. INVENTORIES

	2014 HK\$'000	2013 HK\$'000
Premium wines and spirits products	80,006	84,501
Wine accessory products	887	1,088
Other products	18	25
	80,911	85,614

The net reversal of allowance for inventories of HK\$20,000 (2013: HK\$2,399,000) included an allowance for inventories of HK\$1,455,000 (2013: HK\$963,000) and a reversal of allowance for inventories of HK\$1,475,000 (2013: HK\$3,362,000) respectively. The reversal of allowance for inventories had been recognised for the sales of inventories, in which allowance has been made in prior years, at cost or above during the year ended 31 March 2014.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 HK\$'000	2013 HK\$'000
Trade receivables from third parties	19,379	12,565
Trade deposits paid	18,269	38,439
Other receivables and prepayments	3,451	4,370
Total trade and other receivables, deposits and prepayments	41,099	55,374

Generally, no credit period is offered to walk-in customers at retail shop. The credit period granted to long term and wholesale customers with good business relationship with the Group ranged up to 90 days. Trade receivables from third parties mainly represent receivables from customers in relation to the sales of premium wine and spirits products.

The following is an aged analysis of trade receivables from third parties net of allowance for doubtful debts presented based on the delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2014 HK\$'000	2013 HK\$'000
0 to 30 days	8,778	11,133
31 to 60 days	9,739	266
61 to 90 days	188	107
Over 90 days	674	1,059
	19,379	12,565

All the trade receivables that are neither past due nor impaired are due from customers with good settlement history and no default on settlement had been noted.

Included in the Group's trade receivables are debtors with a carrying amount of HK\$2,398,000 (2013: HK\$4,870,000), which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there were subsequent settlement or no historical default of payments by the respective customers and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 73 days (2013: 53 days).

Aging of trade receivables from third parties past due but not impaired

	2014	2013
	HK\$'000	HK\$'000
0 to 30 days	1,076	3,438
31 to 60 days	460	266
61 to 90 days	188	107
Over 90 days	674	1,059
	<u>2,398</u>	<u>4,870</u>

14. TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEPOSITS RECEIVED

	2014	2013
	HK\$'000	HK\$'000
Trade payables	4,757	6,438
Trade deposits received	15,858	35,556
Other payables and accrued charges	6,718	1,711
	<u>27,333</u>	<u>43,705</u>

Other than trade deposits paid, the credit period on purchases of goods is 30 to 60 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2014	2013
	HK\$'000	HK\$'000
0 to 30 days	2,156	3,328
31 to 60 days	433	697
61 to 90 days	389	1,365
Over 90 days	1,779	1,048
	<u>4,757</u>	<u>6,438</u>

15. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable under finance leases:				
Within one year	559	1,956	473	1,690
In the second to fifth year inclusive	986	6,011	964	5,392
	<u>1,545</u>	<u>7,967</u>	<u>1,437</u>	<u>7,082</u>
Less: Future finance charges	(108)	(885)	–	–
	<u>1,437</u>	<u>7,082</u>	<u>1,437</u>	<u>7,082</u>
Less: Amounts due for settlement within one year (shown as current liabilities)			(473)	(1,690)
Amounts due for settlement after one year			<u>964</u>	<u>5,392</u>

The Group leased certain of its motor vehicles under finance leases. The lease term was ranged from 3 to 5 years (2013: 3 to 5 years). The average borrowing rate was 3.44% (2013: 3.27%) per annum as at 31 March 2014. Interest rates were fixed at the contract date. All leases were on a fixed repayment basis and no arrangement was entered into for contingent rental payments. During the year ended 31 March 2014, obligations under finance leases with an aggregate balance of approximately HK\$4,263,000 have been released upon disposal of motor vehicles to Major Investment Holding Limited.

The Group's obligations under finance leases were secured by the lessors' charge over the leased assets.

16. BANK BORROWINGS

	2014	2013
	HK\$'000	HK\$'000
Secured import loans	–	16,268
Unsecured import loans	3,662	–
Secured bank loans	–	15,557
Unsecured bank loans	4,922	–
	<u>8,584</u>	<u>31,825</u>
Carrying amount repayable*:		
Within one year	8,584	30,564
More than one year, but not exceeding two years	–	197
More than two years, but not more than five years	–	629
More than five years	–	435
	<u>8,584</u>	<u>31,825</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 31 March 2014 and 2013, all the bank borrowings contain a repayment on demand clause and accordingly are shown under current liabilities.

As at 31 March 2014, the unsecured bank borrowings are guaranteed by the Company. As at 31 March 2013, the secured bank borrowings are secured by the properties of Mr. Leung Chi Kin Joseph, and personal guarantee from Mr. Cheung Chun To and Mr. Leung Chi Kin Joseph, and a close family member of Mr. Leung Chi Kin Joseph.

Borrowings comprise:

	2014 HK\$'000	2013 HK\$'000
Fixed-rate borrowings	–	15,557
Floating-rate borrowings	8,584	16,268
	8,584	31,825

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2014	2013
Effective interest rate (per annum):		
Fixed-rate borrowings	N/A	3.25% – 7.75%
Floating-rate borrowings	4.25% – 6.50%	5.25% – 6.50%

17. DEFERRED TAX LIABILITY

The following is the major deferred tax liability recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000
At 1 April 2012	482
Charge to profit or loss (note 8)	335
At 31 March 2013	817
Credit to profit or loss (note 8)	(659)
At 31 March 2014	158

18. ISSUED CAPITAL

The Group

The issued capital of the Group as at 1 April 2012 and 31 March 2013 represents the share capital of Major Cellar. The issued capital of the Group as at 31 March 2014 represents the share capital of the Company.

The Company

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 2 April 2013 (date of incorporation) (Note i)	10,000,000	100
Increase on 30 December 2013 (Note iii)	<u>990,000,000</u>	<u>9,900</u>
	<u>1,000,000,000</u>	<u>10,000</u>
Issued:		
At 2 April 2013 (date of incorporation) (Note i)	1	–
Issue of new shares for cash (Note i)	99	–
Issue of new shares on reorganisation (Note ii)	100	–
Capitalisation Issue (Note iv)	89,999,800	900
Issue of new shares upon listing (Note v)	<u>30,000,000</u>	<u>300</u>
At 31 March 2014	<u>120,000,000</u>	<u>1,200</u>

Notes:

- (i) On 2 April 2013, the Company was incorporated and registered as an exempted company in the Cayman Islands with an authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. Upon its incorporation, 1 subscriber share was allotted and issued to Mr. Cheung Chun To. On the same day, the Company allotted and issued 50 and 49 shares to Mr. Cheung Chun To and Mr. Leung Chi Kin Joseph respectively for cash at par.
- (ii) On 28 August 2013, to effect the reorganisation, 51 and 49 shares were allotted, issued, credited as fully paid to Silver Tycoon Limited (“Silver Tycoon”), a limited company wholly owned by Mr. Cheung Chun To, and High State Investments Limited (“High State Investments”), a limited company wholly owned by Mr. Leung Chi Kin Joseph, respectively.
- (iii) Pursuant to the written resolutions passed by the shareholders on 30 December 2013, the authorised share capital of the Company was increased from HK\$100,000 divided into 10,000,000 ordinary shares to HK\$10,000,000 divided into 1,000,000,000 ordinary shares by the creation of additional 990,000,000 new ordinary shares which shall, when issued and paid, rank pari passu in all respects with the existing issued ordinary shares.
- (iv) Pursuant to the written resolutions passed by the shareholders on 8 January 2014, a sum of HK\$899,998 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 45,899,898 new shares and 44,099,902 new shares for allotment and issue to Silver Tycoon and High State Investments, respectively (the “Capitalisation Issue”).
- (v) On 10 January 2014, the Company placed 30,000,000 shares at HK\$1.10 per share for a total gross proceeds of HK\$33,000,000. The proceeds will be used to finance the implementation of the business plans as set forth in the section headed “Statement of Business Objectives and Use of Proceeds” of the prospectus of the Company dated 6 January 2014.

All issued shares rank pari passu in all respects with each other.

None of the Company’s subsidiaries purchased, sold or redeemed any of the Company’s listed shares during the year ended 31 March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Chinese government unveiled a series of reforms with an aim to spur domestic demand and boost the economy. These policies and measures helped stabilise the retail sector. In 2013, retail sales in the People's Republic of China (the "PRC") continued to record a double digit increment comparing to year 2012.

However, efforts were also stepped up to combat corruption and this caused luxury consumption in the PRC to cool off by the relative low economic growth. The consumers tended to be more rational when making purchasing decision and looked for quality items. The market therefore has started to show signs of returning to a normalised development.

Hong Kong remained one of the top ten wine importers from the European Union in 2013. Products originated from Australia and United States of America have also received raising awareness from the Asian wine market. With the Group's enormous effort to position itself in the high-end red wine market, the Group achieved a steady increase in revenue for the financial year ended 31 March 2014.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately 5.5% from approximately HK\$266.8 million for the year ended 31 March 2013 to approximately HK\$281.4 million for the year ended 31 March 2014. The increase was mainly driven by the shift of our focus to higher priced premium red wine and spirits.

Gross profit

Gross profit of the Group increased by approximately 2.8% from approximately HK\$60.6 million for the year ended 31 March 2013 to approximately HK\$62.4 million for the year ended 31 March 2014. The increase was mainly driven by the stabilisation of the selling price during the year ended 31 March 2014 after experiencing the economic downturn in Europe during the corresponding year ended 31 March 2013 which led to an increase in the average selling price of premium red wine.

Depreciation of property, plant and equipment

The Group recorded depreciation on property, plant and equipment of approximately HK\$2.1 million and HK\$2.3 million for the two years ended 31 March 2013 and 31 March 2014 respectively.

Other expenses

Other expenses of the Group increased by approximately 5.9 times from approximately HK\$1.8 million for the year ended 31 March 2013 to approximately HK\$12.4 million for the year ended 31 March 2014. The significant increase was mainly attributable to the one-off listing expenses of approximately HK\$12.2 million incurred by the Group for its listing exercise during the year ended 31 March 2014.

Profit and total comprehensive income for the year attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company decreased by approximately 45.7% from approximately HK\$23.5 million for the year ended 31 March 2013 to approximately HK\$12.8 million for the year ended 31 March 2014.

Such change was primarily attributable to the one-off listing expenses incurred by the Company for its listing exercise during the year ended 31 March 2014.

Excluding the one-off exceptional listing expenses of the Group of HK\$12.2 million (2013: HK\$1.6 million), profit and total comprehensive income for the year attributable to owners of the Company for the year ended 31 March 2014 would reach approximately HK\$25.0 million, representing a decrease of approximately 0.5% compared to the corresponding year ended 31 March 2013 of approximately HK\$25.1 million which was attributable to the reversal of accrued directors' bonus during the year ended 31 March 2013.

Dividend

The Directors recommend the payment of a final dividend of HK8 cents per share, amounting to HK\$9.6 million in aggregate for the year ended 31 March 2014.

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 March	
	2014	2013
	HK\$'000	HK\$'000
Current assets	157,703	177,646
Current liabilities	38,713	80,217
Current ratio	<u>4.07</u>	<u>2.21</u>

The current ratio of the Group at 31 March 2014 was 4.07 times as compared to that of 2.21 times at 31 March 2013. It was mainly resulted from a decrease in bank borrowings and increase in pledged bank deposits and bank balances and cash during the year.

At 31 March 2014, the Group had total bank balances and cash and pledged bank deposits of approximately HK\$35.7 million (2013: HK\$27.8 million).

At 31 March 2014, the Group's gearing ratio (represented by amount due to a shareholder, obligations under finance leases and bank borrowings divided by equity) amounted to approximately 8.4% (2013: 37.6%). The Group's borrowings have not been hedged by any interest rate financial instruments. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK\$3.1 million as at 31 March 2014 (2013: HK\$6.4 million). As at 31 March 2014, the Group did not have any significant capital commitments (2013: Nil).

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM Board of the Stock Exchange on 10 January 2014. There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and in the prospectus of the Company dated 6 January 2014 (the "Prospectus"), the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the financial year ended 31 March 2014, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies save as disclosed below.

As part of the group reorganisation for the listing, the Group has disposed of its entire shareholding interests in Nation Bond Inc. Limited, a wholly owned subsidiary and Major Aim Limited, a joint venture company.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2014 (2013: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group has foreign currency purchases denominated in Euro, Great British Pound, Swiss Franc and United States Dollar. Certain bank balances and cash, pledged bank deposits and trade payables related to purchases made by the Group were denominated in foreign currencies. However, the Directors consider the foreign exchange exposure minimal as a majority of the Group's sales, monetary assets and liabilities are denominated in HK\$.

As at 31 March 2014, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives. The Group currently does not have any foreign currencies hedging policy but will consider hedging its foreign currency exposure should the need arise.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 31 March 2014, the Group pledged its bank balance of HK\$5.6 million (2013: Nil) as securities for banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2014, the Group employed a total of 37 full-time and 2 part-time employees (2013: 34 full-time and 2 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were approximately HK\$12.0 million for the year ended 31 March 2014 (2013: HK\$9.0 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

LOOKING FORWARD

Hong Kong remains as one of the largest wine auction centres in the world. Its vibrant local market and prime geographic location serve as a platform for growing wine trade in other Asian market.

Looking ahead, the winery market will likely to continue to face uncertainties in the coming years. Despite the uncertainties, the Group will continue to dedicate its efforts to the development of its existing businesses and other potential projects with a view to provide steady returns as well as fruitful growth for its shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Since the shares of the Company were listed on GEM Board on 10 January 2014, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the year ended 31 March 2014.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its code of corporate governance except the following deviation:

Code Provision of A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Mr. Cheung Chun To, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable.

The Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code during the year ended 31 March 2014 and the Directors will use their best endeavours to procure the Company to comply with such code and make disclosure of deviation from such code in accordance with the GEM Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “Required Standard of Dealings”). The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Required Standard of Dealings throughout the period from the Listing Date to the year end date.

AUDIT COMMITTEE

The Audit Committee was established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the Code on Corporate Governance on 30 December 2013. The primary duties of the Audit Committee are mainly to review the financial systems of the Group; to review the accounting policy, financial position and financial reporting procedures of the Group; to communicate with external auditors; to assess the performance of internal financial and audit personnel; and to assess the internal controls of the Group. The Audit Committee consists of three members, namely Mr. Wong Siu Ki, Mr. Yue Kwai Wa Ken and Mr. Ngai Hoi Ying, all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2014.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
Major Holdings Limited
CHEUNG Chun To
Chairman

Hong Kong, 25 June 2014

As at the date of this announcement, the executive Directors are Mr. Cheung Chun To, Mr. Leung Chi Kin Joseph, Mr. Cheung Chun Pang and Ms. Cheung Wing Shun, the independent non-executive Directors are Mr. Wong Siu Ki, Mr. Ngai Hoi Ying and Mr. Yue Kwai Wa Ken.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Growth Enterprise Market website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.majorcellar.com>.