



MAJOR
HOLDINGS LIMITED

美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 8209



INTERIM REPORT 2014

** for identification purposes only*

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

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This report, 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 report 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 report misleading.

Financial Highlights

For the six months ended 30 September 2014, unaudited operating results of the Group were as follows:

- profit after taxation for the six months ended 30 September 2014 amounted to approximately HK\$6.5 million, representing an increase of approximately 2.3 times from the corresponding period of the previous financial year;
- basic earnings per share for the six months ended 30 September 2014 based on ordinary shares of 120,000,000 in issue was 5.44 HK cents;
- The Board resolved to declare the payment of a special dividend of 10 HK cents per share for the six months ended 30 September 2014.



INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board of directors (the "Board") of Major Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (unaudited)

For the three and six months ended 30 September 2014

	Notes	Three months ended 30 September		Six months ended 30 September	
		2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Revenue	3	58,623	74,489	112,795	137,944
Cost of sales		(47,251)	(61,143)	(89,617)	(110,706)
Gross profit		11,372	13,346	23,178	27,238
Other income		176	–	389	33
Other gains and losses, net		242	46	77	133
Promotion, selling and distribution expenses		(3,829)	(4,760)	(7,134)	(8,015)
Administrative expenses		(4,079)	(3,955)	(8,318)	(8,058)
Other expenses	4	–	(2,020)	–	(6,692)
Finance costs	5	(111)	(451)	(192)	(904)
Profit before taxation		3,771	2,206	8,000	3,735
Income tax expense	6	(687)	(898)	(1,468)	(1,768)
Profit and total comprehensive income for the period attributable to owners of the Company	7	3,084	1,308	6,532	1,967
		HK cents	HK cents	HK cents	HK cents
Earnings per share, basic and diluted	9	2.57	1.45	5.44	2.19

Condensed Consolidated Statement of Financial Position

As at 30 September 2014

	Notes	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Non-current assets			
Property, plant and equipment	10	4,055	4,073
Current assets			
Inventories		87,395	80,911
Trade and other receivables, deposits and prepayments	11	31,455	41,099
Pledged bank deposits		10,584	5,593
Bank balances and cash		11,333	30,100
		140,767	157,703
Current liabilities			
Trade and other payables, accrued charges and deposits received	12	17,652	27,333
Amount due to a shareholder		420	180
Tax liabilities		2,347	2,143
Obligations under finance leases			
– due within one year		504	473
Bank borrowings	13	4,051	8,584
		24,974	38,713
Net current assets		115,793	118,990
Total assets less current liabilities		119,848	123,063

Condensed Consolidated Statement of Financial Position

As at 30 September 2014

	Notes	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Capital and reserves			
Issued capital	14	1,200	1,200
Reserves		117,673	120,741
Total equity		118,873	121,941
Non-current liabilities			
Obligation under finance leases – due after one year		692	964
Deferred tax liabilities		283	158
		975	1,122
		119,848	123,063

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2014

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2014	1,200	131,534	(104,902)	30,483	63,626	121,941
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	6,532	6,532
Final dividend (Note 8)	-	-	-	-	(9,600)	(9,600)
At 30 September 2014 (unaudited)	1,200	131,534	(104,902)	30,483	60,558	118,873
At 1 April 2013	10	-	-	30,483	73,383	103,876
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	1,967	1,967
Dividend declared (Note 8)	-	-	-	-	(22,550)	(22,550)
Effect of Reorganisation	(10)	104,912	(104,902)	-	-	-
At 30 September 2013 (unaudited)	-	104,912	(104,902)	30,483	52,800	83,293

Note:

The capital reserve represents the difference between the nominal value of the share capital of Major Cellar Company Limited at the date on which it was acquired by Beyond Elite Limited and the deemed consideration of HK\$104,912,000 settled by issuance of 100 shares by the Company pursuant to the Reorganisation as defined in the 2014 Annual Report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2014

	Six months ended	
	30 September	30 September
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from (used in) operating activities	1,326	(1,454)
Net cash used in investing activities	(5,767)	(13,818)
Net cash used in financing activities	(14,326)	(5,734)
Net decrease in cash and cash equivalents	(18,767)	(21,006)
Cash and cash equivalents at beginning of the period	30,100	27,772
Cash and cash equivalents at end of the period, represented by bank balances and cash	11,333	6,766

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 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 condensed consolidated financial statements.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (the “GEM Listing Rules”).

As more fully explained in the Company’s audited financial statements for the year ended 31 March 2014, the condensed consolidated statement of profit or loss and other comprehensive income for the three months and six months ended 30 September 2013 and certain explanatory notes have been prepared as if the current group structure had been in existence for the three months and six months ended 30 September 2013, or since the respective dates of incorporation/establishment of the relevant companies now comprising the Group, where this is a shorter period.



Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(continued)

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2014.

In the current period, the Group has applied, for the first time, a new interpretation and certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the new interpretation and amendments in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. 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 periods. 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 prepared based on same accounting policies set out in note 2. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

3. REVENUE AND SEGMENT INFORMATION (continued)

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

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Red wine	53,416	70,459	103,806	129,144
White wine	1,628	1,390	3,648	3,227
Sparkling wine	1,564	615	2,030	1,233
Spirits	1,936	1,617	3,100	3,716
Wine accessory products	77	349	139	554
Other products	2	59	72	70
	58,623	74,489	112,795	137,944

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\$4,055,000 (31 March 2014: HK\$4,073,000) as at 30 September 2014 are all located in Hong Kong by physical location of assets.

4. OTHER EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Other expenses				
Listing expenses	-	2,020	-	6,613
Others	-	-	-	79
	-	2,020	-	6,692

Notes to the Condensed Consolidated Financial Statements
For the three and six months ended 30 September 2014

5. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2014	2013	2014	2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interests on:				
Bank borrowings wholly repayable within five years	92	382	153	762
Obligations under finance leases	19	69	39	142
	111	451	192	904

6. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2014	2013	2014	2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong Profits Tax:				
Current year	647	884	1,343	1,708
Deferred tax	40	14	125	60
	687	898	1,468	1,768

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

No provision for the People's Republic of China Enterprise Income Tax has been made as the subsidiary was inactive for the period ended 30 September 2013.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

6. INCOME TAX EXPENSE (continued)

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.

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Profit and total comprehensive income for the period has been arrived at after charging:				
Staff costs:				
Salaries and other benefits	2,358	2,191	4,663	4,423
Sales commission	458	409	916	877
Retirement benefits scheme contributions	93	299	188	388
Total staff costs	2,909	2,899	5,767	5,688
Depreciation of property, plant and equipment	392	611	770	1,283
Operating lease payments in respect of office premises, warehouses and retail shops	1,927	1,386	4,125	2,771

Notes to the Condensed Consolidated Financial Statements
For the three and six months ended 30 September 2014

8. DIVIDENDS

	Six months ended	
	30 September	
	2014	2013
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Dividend declared by a subsidiary to its then shareholder prior to the Reorganisation	–	22,500
Final dividend, 8 HK cents per share (2013: Nil) (Note 1)	9,600	–
Special dividend, 10 HK cents per share, (2013: Nil) (Note 2)	12,000	–

Notes:

- (1) Final dividend of 8 HK cents per share was paid to shareholders as the final dividend for the year ended 31 March 2014.
- (2) The special dividend has not been recognised as a liability at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

9. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Earnings				
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	3,084	1,308	6,532	1,967
Number of shares:	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	120,000	90,000	120,000	90,000

The calculation of the weighted average number of shares outstanding during the period ended 30 September 2013 have been adjusted for the effect of the Reorganisation and the Capitalisation Issue (as defined in the Company's Annual Report 2014).

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

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired equipment and leasehold improvement of approximately HK\$786,000 (31 March 2014: HK\$39,000).

At 30 September 2014, the carrying values of motor vehicles included an amount of approximately HK\$1,703,000 (31 March 2014: HK\$1,973,000) in respect of assets held under finance leases.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
Trade receivables from third parties	18,229	19,379
Trade deposits paid	9,320	18,269
Other receivables and prepayments	3,906	3,451
Total trade and other receivables, deposits and prepayments	31,455	41,099

Generally, no credit period is offered to walk-in customers at retail shops. 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.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(continued)

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:

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
0 to 30 days	6,492	8,778
31 to 60 days	269	9,739
61 to 90 days	3,867	188
Over 90 days	7,601	674
	18,229	19,379

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\$8,366,000 (31 March 2014: HK\$2,398,000), 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.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

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

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
Trade payables	8,940	4,757
Trade deposits received	6,973	15,858
Other payables and accrued charges	1,739	6,718
	17,652	27,333

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:

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
0 to 30 days	4,473	2,156
31 to 60 days	681	433
61 to 90 days	722	389
Over 90 days	3,064	1,779
	8,940	4,757

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

13. BANK BORROWINGS

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
Unsecured import loans	401	3,662
Secured import loans	1,389	–
Unsecured bank loans	–	4,922
Secured bank loan	2,261	–
	4,051	8,584

As at 30 September 2014 and 31 March 2014, the unsecured bank borrowings are guaranteed by the Company. The secured import loans and secured bank loan are secured by the bank deposits of the Group.

14. ISSUED CAPITAL

	Number of shares	Share capital HK\$'000
Authorised ordinary shares of HK\$0.01 each		
As at 30 September 2014 and 31 March 2014	1,000,000,000	10,000
Issued ordinary shares of HK\$0.01 each		
As at 30 September 2014 and 31 March 2014	120,000,000	1,200

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 six months ended 30 September 2014.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

15. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions:

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Sales to related parties				
– Mr. Cheung Chun To	10	–	10	–
– Mr. Leung Chi Kin Joseph	–	–	–	817
– Ms. Cheung Wing Shun	–	2	2	3
– Major Watch Company Limited (Note)	890	47	1,233	49
	900	49	1,245	869
Rental expenses in respect of warehouse paid to Mr. Leung Chi Kin Joseph, one of the Shareholders	120	75	240	150

Note:

Major Watch Company Limited is a private limited company controlled by Cheung Chun To and Cheung Chun Pang who are the executive directors of the Company.

As at 30 September 2014, the amount of HK\$193,000 (31 March 2014: Nil) due from Major Watch Company Limited was not yet settled and was included in other receivables and prepayment.

Notes to the Condensed Consolidated Financial Statements

For the three and six months ended 30 September 2014

15. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management which were determined by reference to the Group's performance during the period ended 30 September 2014 and 2013 as follows:

	Three months ended 30 September		Six months ended 30 September	
	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2013 (unaudited) HK\$'000
Short-term benefits	960	771	1,910	1,701
Post-employment benefits	26	20	50	41
	986	791	1,960	1,742

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

During the period under review, revenue was decreased by approximately 18.2% to approximately HK\$112.8 million (30 September 2013: HK\$137.9 million). The red wine has been continued to be the Group's core product type and main growth driver. However, the revenue in the six months ended 30 September 2014 did not reach the management's expectation because the combat of corruption in the PRC cool off the luxury consumption and the shift of buying habit from luxury wine to less expensive fine wine.

The Group has launched a new retail outlet on Hysan Road in May 2014, a luxury shopping precinct in Causeway Bay, with easy access for both tourists and local Hong Kong customers in Hong Kong Island. More broadcasting channels have been implemented by the Group to reach out to a wider market including advertisement campaigns and collaboration with a variety of different partners to expand our customer base; the management is expecting the revenue to grow in the second half of the year.

A 22.84% rise in wine consumption across Asian market between 2013 to 2017 is estimated by the International Wine and Spirit Research. PRC is still the fastest growing country among the Asia Pacific and global wine markets. Indeed, PRC market opportunities remain wide open due to connoisseurs' enthusiasm for new experiences. Coupled with the acute wine experiences and suitable marketing strategy, the Group is confident in its position as a world class enterprise.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by approximately 18.2% from approximately HK\$137.9 million for the six months ended 30 September 2013 to approximately HK\$112.8 million for the six months ended 30 September 2014. The decrease was mainly due to the shift of demand from high-end fine wine to less expensive fine wine during the six months ended 30 September 2014.

Management Discussion and Analysis

Gross profit

Gross profit of the Group decreased by approximately 14.9% from approximately HK\$27.2 million for the six months ended 30 September 2013 to approximately HK\$23.2 million for the six months ended 30 September 2014. The decrease was mainly due to the decrease in revenue during the six months ended 30 September 2014.

Promotion, selling and distribution expenses and administrative expenses

Promotion, selling and distribution expenses of the Group decreased by approximately 11.0% from approximately HK\$8.0 million for the six months ended 30 September 2013 to approximately HK\$7.1 million for the six months ended 30 September 2014. The change was mainly attributable to the decrease in transportation cost due to the decrease in revenue partly offset by the increase in operating lease payment in respect of warehouses and retail shops during the six months ended 30 September 2014.

Administrative expenses of the Group increased by approximately 3.2% from approximately HK\$8.1 million for the six months ended 30 September 2013 to approximately HK\$8.3 million for the six months ended 30 September 2014. The increase was mainly attributable to the increase of operating lease payment of the office premises and professional fees partly offset by the decrease of depreciation of property, plant and equipment.

Depreciation of property, plant and equipment

The Group recorded depreciation on property, plant and equipment of approximately HK\$0.8 million and HK\$1.3 million for the six months ended 30 September 2014 and 30 September 2013 respectively.

Other expenses

Other expenses of the Group decreased from approximately HK\$6.7 million for the six months ended 30 September 2013 to nil for the six months ended 30 September 2014. The significant decrease was attributable to the one-off listing expenses incurred by the Group for its listing exercise during the six months ended 30 September 2013 which was non-recurrent in the six months ended 30 September 2014.

Finance cost

Finance costs of the Group decreased by approximately 78.8% from approximately HK\$0.9 million for the six months ended 30 September 2013 to approximately HK\$0.2 million for the six months ended 30 September 2014. The decrease was mainly due to the decrease in average bank borrowings during the six months ended 30 September 2014.

Management Discussion and Analysis

Income tax expenses

Income tax expenses for the Group decreased by approximately 17.0% from approximately HK\$1.8 million for the six months ended 30 September 2013 to approximately HK\$1.5 million for the six months ended 30 September 2014. The decrement, despite the increase in the profit before tax, was mainly due to the shares of the Company were listed on the GEM board of the Stock Exchange on 10 January 2014 and the Company incurred exceptional listing expenses of approximately HK\$6.6 million during the six months ended 30 September 2013, of which the amount was non-deductible for the calculation of estimated assessable profit.

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

Profit and total comprehensive income for the period attributable to owners of the Company increased by approximately 2.3 times from approximately HK\$2.0 million for the six months ended 30 September 2013 to approximately HK\$6.5 million for the six months ended 30 September 2014. Such change was primarily attributable to the one-off listing expenses incurred by the Company for its listing exercise during the six months ended 30 September 2013 which was non-recurrent in the six months ended 30 September 2014.

SPECIAL DIVIDEND

The Directors have resolved to pay a special dividend of 10 HK cents per share to shareholders whose names appear on the Register of Members on Friday, 28 November, 2014 (2013: Nil). It is expected that the special dividend payments will be made to shareholders on 18 December 2014.

CLOSURE OF REGISTER OF MEMBERS

The share register of members of the Company will be closed from Wednesday, 26 November, 2014 to Friday, 28 November, 2014 (both days inclusive), during which period no transfer of shares will be registered. Shareholders whose names appear on the share register of members of the Company on Friday, 28 November, 2014 (the "Record Date") are entitled to the special dividend. In order to be entitled to receive the special dividend, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Tuesday, 25 November, 2014.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

	As at 30 September 2014 (unaudited) HK\$'000	As at 31 March 2014 (audited) HK\$'000
Current assets	140,767	157,703
Current liabilities	24,974	38,713
Current ratio (times)	5.64	4.07

The current ratio of the Group as at 30 September 2014 was 5.64 times as compared to that of 4.07 times as at 31 March 2014. It was mainly resulted from a decrease in cash and bank balances, trade and other receivables, deposits and prepayment, trade and other payables, accrued charges and deposits received and bank borrowings and increase in inventories and pledged bank deposits during the six months ended 30 September 2014.

At 30 September 2014, the Group had total bank balances and cash and pledged bank deposits of approximately HK\$21.9 million (31 March 2014: HK\$35.7 million).

At 30 September 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 4.8% (31 March 2014: 8.4%). 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.

COMMITMENT

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\$12,300,000 as at 30 September 2014 (31 March 2014: HK\$3,138,000). As at 30 September 2014 and 31 March 2014, the Group did not have any significant capital commitments.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 30 September 2014, the Group pledged its bank balance of HK\$10,584,000 (31 March 2014: HK\$5,593,000) as securities for banking facilities granted to the Group.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2014 (31 March 2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2014, the Group employed a total of 37 full-time and 2 part-time employees (31 March 2014: 37 full-time and 2 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were approximately HK\$5.8 million for the six months ended 30 September 2014 (30 September 2013: HK\$5.7 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.

Management Discussion and Analysis

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Company's prospectus dated 6 January 2014 the ("Prospectus") with the Group's actual business progress for the period from 6 January 2014 (date of Prospectus) to 30 September 2014 is set out below:

Business objectives	Actual progress
(i) leverage our experience and expand the size of our operations by expanding our existing point of sales, thereby attracting more new customers and increasing public awareness of our Company;	<p>The Group opened a new retail shop in Causeway Bay during May of 2014</p> <p>The Group also contracted with local wine magazines to increase the publicity</p>
(ii) diversify our wine and spirits products portfolio by increasing our wine and spirits products available for sale, thereby broadening our existing customer base and our existing market share; and	<p>The Group purchased over 19,304 bottles from 950 new vintages or brands during the period from 6 January 2014 to 30 September 2014</p>
(iii) strengthen our sales and marketing team.	<p>The Group recruited a sales executive with extensive wine experience</p> <p>The Group continued to increase staff training to strengthen the knowledge and skill of our sales and marketing staff</p>

Management Discussion and Analysis

USE OF PROCEEDS

The net proceeds from the Company's Placing (as defined in the Prospectus) in January 2014, after deducting underwriting commission and expenses in connection with the Placing, were approximately HK\$16.3 million. After the Listing, these proceeds were used for the purposes in accordance with the future plans and prospects as set out in the Prospectus.

An analysis of the utilisation of the net proceeds from the Placing and the unused amount as at 30 September 2014 is set out below:

	Net proceeds from the placing	Utilised amount as at 30 September 2014	Unutilised amount as at 30 September 2014
	HK\$'000	HK\$'000	HK\$'000
1. increase our wine and spirits stock inventory and to expand our existing collection of wine and spirits products	11,382	(11,382)	–
2. expansion of our point of sales by opening one new retail showroom	3,252	(1,945)	1,307
3. working capital and other general corporate uses	1,626	(1,626)	–
Total	16,260	14,953	1,307

The unused net proceeds have been placed as interest bearing deposits with licensed banks in Hong Kong in accordance with the intention of the Directors as disclosed in the Prospectus.

Management Discussion and Analysis

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.

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 30 September 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2014, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Management Discussion and Analysis

THE INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

So far as were known to the Directors or chief executive of the Company, as at 30 September 2014, the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding
Mr. Cheung Chun To	Interest in controlled corporation (Note 1)	45,900,000 shares	38.25%
Mr. Leung Chi Kin Joseph	Interest in controlled corporation (Note 2)	44,100,000 shares	36.75%

Notes:

1. Mr. Cheung Chun To beneficially owns the entire shareholding interests in Silver Tycoon Limited. Therefore, Mr. Cheung Chun To is deemed to be interested in the 45,900,000 shares held by Silver Tycoon Limited.
2. Mr. Leung Chi Kin Joseph beneficially owns the entire shareholding interests in High State Investments Limited. Therefore, Mr. Leung Chi Kin Joseph is deemed to be interested in the 44,100,000 shares held by High State Investments Limited.

Management Discussion and Analysis

Save as disclosed above, as at 30 September 2014, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the securities of the Company or its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, required pursuant to section 352 of the SFO to be entered in the register referred to therein or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

As at 30 September 2014, so far as it is known to the Directors, chief executive, or supervisors of the Company, the following persons (other than a director or chief executive of the Company) has interests or short positions in the shares and underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of Shares	Approximate percentage of shareholding
Silver Tycoon Limited	Beneficial owner (Note 1)	45,900,000 shares	38.25%
High State Investments Limited	Beneficial owner (Note 2)	44,100,000 shares	36.75%
Ms. Lin Shuk Shuen	Family Interest (Note 3)	45,900,000 shares	38.25%
Ms. Ma Pui Ying	Family Interest (Note 4)	44,100,000 shares	36.75%

Management Discussion and Analysis

Notes:

1. Mr. Cheung Chun To beneficially owns the entire shareholding interests in Silver Tycoon Limited. Therefore, Mr. Cheung Chun To is deemed to be interested in the 45,900,000 shares held by Silver Tycoon Limited.
2. Mr. Leung Chi Kin Joseph beneficially owns the entire shareholding interests in High State Investments Limited. Therefore, Mr. Leung Chi Kin Joseph is deemed to be interested in the 44,100,000 shares held by High State Investments Limited.
3. Ms. Lin Shuk Shuen is the spouse of Mr. Cheung Chun To and is therefore deemed to be interested in all the shares held/owned by Mr. Cheung Chun To (by himself and through Silver Tycoon Limited) by virtue of the SFO.
4. Ms. Ma Pui Ying is the spouse of Mr. Leung Chi Kin Joseph and is therefore deemed to be interested in all the shares held/owned by Mr. Leung Chi Kin Joseph (by himself and through High State Investments Limited) by virtue of the SFO.

Save as disclosed above, the Directors were not aware of any who has an interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Share Option Scheme") providing incentives or rewards to eligible persons of the Group for their contribution to the Group. Details of the Share Option Scheme have been set out in the Company's 2014 Annual Report.

During the six months ended 30 September 2014, there is no option granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the six months ended 30 September 2014.

Management Discussion and Analysis

DIRECTOR'S INTERESTS IN CONTRACTS

No contract of significance, to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 30 September 2014 or at any time during the six months ended 30 September 2014.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 September 2014.

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 to the Directors, all the Directors have complied with the Required Standard of Dealings during the six months ended 30 September 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 six months ended 30 September 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.

Management Discussion and Analysis

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Ample Capital Limited (the "Compliance Adviser"), save for the compliance adviser agreement dated 10 December 2013 entered into between the Company and the Compliance Adviser, neither the Compliance Adviser, its directors, employees and associates had any interests in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2014.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and in the Prospectus, the Group did not have other plans for material investments and capital assets.

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.

Management Discussion and Analysis

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 unaudited consolidated results of the Group for the six months ended 30 September 2014.

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

Hong Kong, 5 November 2014

As at the date of this report, 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.