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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 2015

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 purposes only

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2015:

- Revenue decreased by approximately 4.6% from approximately HK\$281.4 million for the year ended 31 March 2014 to approximately HK\$268.4 million for the year ended 31 March 2015
- Profit and total comprehensive income for the year attributable to owners of the Company increased by approximately 88.3% from approximately HK\$12.8 million for the year ended 31 March 2014 to approximately HK\$24.1 million for the year ended 31 March 2015
- Excluding the one-off 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 3.6% compared to the year ended 31 March 2015 of approximately HK\$24.1 million
- Basic earnings per share increased from HK1.66 cents for the year ended 31 March 2014 to HK2.51 cents for the year ended 31 March 2015
- The Directors recommend the payment of a final dividend of HK1 cent 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 2015 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 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	4	268,425	281,434
Cost of sales		(207,929)	(219,080)
Gross profit		60,496	62,354
Other income	5	573	432
Other gains and losses, net	6	428	(312)
Promotion, selling and distribution expenses		(15,440)	(15,546)
Administrative expenses		(16,373)	(15,502)
Other expenses	5	–	(12,448)
Finance costs	7	(332)	(1,575)
Profit before taxation		29,352	17,403
Income tax expense	8	(5,220)	(4,610)
Profit and total comprehensive income for the year attributable to owners of the Company	9	24,132	12,793
			(restated)
Earnings per share, basic (HK cents)	11	2.51	1.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		3,316	4,073
Rental deposits	<i>13</i>	2,067	–
		5,383	4,073
Current assets			
Inventories	<i>12</i>	79,929	80,911
Trade and other receivables, deposits and prepayments	<i>13</i>	28,885	41,099
Pledged bank deposits		5,001	5,593
Bank balances and cash		27,948	30,100
		141,763	157,703
Current liabilities			
Trade and other payables, accrued charges and deposits received	<i>14</i>	14,795	27,333
Amount due to a shareholder		660	180
Tax liabilities		945	2,143
Obligations under finance leases – due within one year	<i>15</i>	519	473
Bank borrowings	<i>16</i>	14,721	8,584
		31,640	38,713
Net current assets		110,123	118,990
Total assets less current liabilities		115,506	123,063
Capital and reserves			
Issued capital	<i>18</i>	1,200	1,200
Reserves		113,673	120,741
Total equity		114,873	121,941
Non-current liabilities			
Obligations under finance leases – due after one year	<i>15</i>	429	964
Deferred tax liability	<i>17</i>	204	158
		633	1,122
		115,506	123,063

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note i)	Other reserve HK\$'000 (Note ii)	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 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
Profit and total comprehensive income for the year	–	–	–	–	24,132	24,132
Dividend declared (note 10)	–	–	–	–	(31,200)	(31,200)
At 31 March 2015	1,200	131,534	(104,902)	30,483	56,558	114,873

Notes:

- (i) The capital reserve represents the difference between the nominal value of the share capital of Major Cellar Company Limited (“Major Cellar”) at the date on which it was acquired by Beyond Elite Limited (“Beyond Elite”) and the deemed consideration of HK\$104,912,000 settled by issuance of 100 shares by the Company pursuant to the corporate reorganisation (the “Reorganisation”) the Group underwent in preparation of the listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).
- (ii) The other reserve represents deemed contribution from Rouge & Blanc Wines Limited (“Rouge & Blanc”) regarding the waiver of amount due to Rouge & Blanc effective on 1 April 2012 which arose from the transfer of wine and spirit products and furniture and fixtures from Rouge & Blanc to Major Cellar on 31 March 2010. Rouge & Blanc is controlled by Mr. Cheung Chun To (“Mr. Cheung”) and Mr. Leung Chi Kin Joseph (“Mr. Leung”), the directors and also the shareholders (“Shareholders”) of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 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 2015, the Group has adopted all the HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for the Group's financial year beginning on 1 April 2014.

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

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁴
Amendments to HKAS 1	Disclosure initiative ⁴
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ⁴
Amendments to HKAS 19	Defined benefit plans: Employee contributions ³
Amendments to HKAS 27	Equity method in separate financial statement ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle ⁵
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ⁵ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

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 and services.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. 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 and by the Hong Kong Companies Ordinance.

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:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Red wine	239,283	265,474
White wine	7,831	6,004
Sparkling wine	3,229	2,349
Spirits	17,447	6,779
Wine accessory products	547	744
Other products	88	84
	268,425	281,434

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 all the Group's non-current assets are located in Hong Kong by physical location of assets.

Information about major customers

There was one customer contributing over 10% of total revenue of the Group for the year ended 31 March 2014 and is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	<u>N/A</u>	<u>43,870</u>

For the year ended 31 March 2015, no revenue is derived from a single customer of the Group which amounted for over 10% of the Group's total revenue.

5. OTHER INCOME/OTHER EXPENSES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other income		
Bank interest income	110	1
Others	463	431
	<u>573</u>	<u>432</u>
Other expenses		
Listing expenses	–	12,216
Others	–	232
	<u>–</u>	<u>12,448</u>

6. OTHER GAINS AND LOSSES, NET

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss on disposal of property, plant and equipment	(24)	(166)
Loss on disposal of subsidiaries	–	(19)
Net foreign exchange gains (losses)	452	(127)
	<u>428</u>	<u>(312)</u>

7. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interests on:		
Bank borrowings wholly repayable within five years	262	1,347
Obligations under finance leases	70	228
	<u>332</u>	<u>1,575</u>

8. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current year	5,144	5,558
Under (over)provision in prior years	30	(289)
	5,174	5,269
Deferred tax (<i>note 17</i>)		
Current year	46	(659)
	5,220	4,610

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 and disposed off in prior year.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before taxation	29,352	17,403
Tax at the profits tax rate of Hong Kong of 16.5%	4,843	2,871
Tax effect of income not taxable for tax purpose	–	(11)
Tax effect of expenses not deductible for tax purpose	226	2,129
Under (over)provision in respect of prior years	30	(289)
Others	121	(90)
Income tax expense for the year	5,220	4,610

During the financial year ended 31 March 2014, the Hong Kong Inland Revenue Department (“IRD”) initiated a tax field 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 field audit. The scope and outcome of the tax field 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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit and total comprehensive income for the year has been arrived at after charging (crediting):		
Auditor's remuneration	600	600
Directors' remuneration		
Directors' fee	360	90
Salaries and other emoluments	2,400	2,015
Retirement benefits scheme contributions	66	47
	<u>2,826</u>	<u>2,152</u>
Other staff costs:		
Salaries and other benefits	7,353	7,343
Sales commission	1,974	1,951
Retirement benefits scheme contributions	331	531
	<u>12,484</u>	<u>11,977</u>
Total staff costs	12,484	11,977
Depreciation of property, plant and equipment	1,532	2,256
Cost of inventories recognised as cost of sales	207,929	219,080
Including: Reversal of inventories, net	(1,042)	(20)
Operating lease payments in respect of office premises, warehouses and retail shops	8,477	5,726
	<u>8,477</u>	<u>5,726</u>

10. DIVIDEND

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividends recognised as distributions by the Company during the year:		
2014 final dividend, paid HK1 cent per share	9,600	–
2014 special dividend, paid HK1.25 cents per share	12,000	–
2015 quarterly dividend, paid HK1 cent per share	9,600	–
	<u>31,200</u>	<u>–</u>

Adjustments were made to the amount of dividend per share for 2014 final dividend and 2014 special dividend due to the share subdivision during the year. Each share of the Company of HK\$0.01 per share was subdivided into 8 shares of HK\$0.00125 per share with effect from 15 January 2015 as detailed in note 18.

Subsequent to the end of reporting period, final dividend in respect of the year ended 31 March 2015 of HK 1 cent per share (2014: HK 1 cent per share in respect of the year ended 31 March 2014) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming general meeting.

Prior to the Reorganisation, during the year ended 31 March 2014, Major Cellar 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.

11. EARNINGS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	<u>24,132</u>	<u>12,793</u>
	2015	2014 (restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>960,000,000</u>	<u>773,260,800</u>

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the year ended 31 March 2015 has accounted for the share subdivision which was effective from 15 January 2015. The corresponding number of ordinary shares for 2014 has been retrospectively adjusted to reflect the said share subdivision and the effect of 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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Premium wines and spirits products	78,999	80,006
Wine accessory products	900	887
Other products	30	18
	<u>79,929</u>	<u>80,911</u>

The net reversal of allowance for inventories of HK\$1,042,000 (2014: HK\$20,000) included an allowance for inventories of HK\$424,000 (2014: HK\$1,455,000) and a reversal of allowance for inventories of HK\$1,466,000 (2014: HK\$1,475,000) 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 2015.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables from third parties	14,527	19,379
Trade deposits paid	13,211	18,269
Other receivables and prepayments	3,214	3,451
	<hr/>	<hr/>
Total trade and other receivables, deposits and prepayments	30,952	41,099
	<hr/>	<hr/>
Analysed as		
Current	28,885	41,099
Non-current	2,067	–
	<hr/>	<hr/>
	30,952	41,099
	<hr/>	<hr/>

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.

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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	4,176	8,778
31 to 60 days	10,153	9,739
61 to 90 days	31	188
Over 90 days	167	674
	<hr/>	<hr/>
	14,527	19,379
	<hr/>	<hr/>

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\$934,000 (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 settlements subsequent to the end of the reporting period or there were continuous settlements 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 58 days (2014: 73 days).

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	560	1,076
31 to 60 days	176	460
61 to 90 days	31	188
Over 90 days	167	674
	<u>934</u>	<u>2,398</u>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	8,426	4,757
Trade deposits received	5,125	15,858
Other payables and accrued charges	1,244	6,718
	<u>14,795</u>	<u>27,333</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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	3,101	2,156
31 to 60 days	929	433
61 to 90 days	1,641	389
Over 90 days	2,755	1,779
	<u>8,426</u>	<u>4,757</u>

15. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Amounts payable under finance leases:				
Within one year	559	559	519	473
In the second to fifth year inclusive	440	986	429	964
	<u>999</u>	<u>1,545</u>	<u>948</u>	<u>1,437</u>
Less: Future finance charges	(51)	(108)	–	–
	<u>948</u>	<u>1,437</u>	<u>948</u>	<u>1,437</u>
Less: Amounts due for settlement within one year (shown as current liabilities)			(519)	(473)
Amounts due for settlement after one year			429	964

The Group leased certain of its motor vehicles under finance leases. The lease term was ranged from 3 to 5 years (2014: 3 to 5 years). The average borrowing rate was 3.43% (2014: 3.44%) per annum as at 31 March 2015. 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 had been released upon disposal of motor vehicles to Major Investment Holding Limited, a private limited company, wholly owned by Mr. Cheung, one of the Shareholders.

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

16. BANK BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Secured import loans	1,370	–
Unsecured import loans	7,785	3,662
Unsecured bank loans	5,566	4,922
	<u>14,721</u>	<u>8,584</u>
Carrying amount repayable*:		
Within one year	14,721	8,584

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

As at 31 March 2015 and 2014, all the bank borrowings contain a repayment on demand clause.

As at 31 March 2015 and 31 March 2014, the secured bank borrowings were secured by pledged bank deposits and the unsecured bank borrowings were guaranteed by the Company.

Borrowings comprise:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Floating-rate borrowings	<u>14,721</u>	<u>8,584</u>

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

	2015	2014
Effective interest rate (per annum):		
Floating-rate borrowings	3.00% – 4.25%	4.25% – 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 <i>HK\$'000</i>
At 1 April 2013	817
Credit to profit or loss (<i>note 8</i>)	<u>(659)</u>
At 31 March 2014	158
Charge to profit or loss (<i>note 8</i>)	<u>46</u>
At 31 March 2015	<u>204</u>

18. ISSUED CAPITAL

The Group

The issued capital of the Group as at 1 April 2013 represents the share capital of Major Cellar. The issued capital of the Group as at 31 March 2014 and 2015 represents the share capital of the Company.

The Company

	Par value per ordinary share HK\$	Number of shares	Share capital HK\$'000
Authorised:			
At 2 April 2013 (date of incorporation) (<i>Note i</i>)	0.01	10,000,000	100
Increase on 30 December 2013 (<i>Note iii</i>)		990,000,000	9,900
			<hr/>
At 1 April 2014	0.01	1,000,000,000	10,000
Increase upon share subdivision (<i>Note vi</i>)		7,000,000,000	–
			<hr/>
At 31 March 2015	0.00125	8,000,000,000	10,000
			<hr/>
Issued:			
At 2 April 2013 (date of incorporation) (<i>Note i</i>)		1	–
Issue of new shares for cash (<i>Note i</i>)		99	–
Issue of new shares on Reorganisation (<i>Note ii</i>)		100	–
Capitalisation Issue (<i>Note iv</i>)		89,999,800	900
Issue of new shares upon listing (<i>Note v</i>)		30,000,000	300
			<hr/>
At 31 March 2014	0.01	120,000,000	1,200
Increase upon share subdivision (<i>Note vi</i>)		840,000,000	–
			<hr/>
At 31 March 2015	0.00125	960,000,000	1,200
			<hr/>

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. On the same day, the Company allotted and issued 50 and 49 shares to Mr. Cheung and Mr. Leung 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, and High State Investments Limited (“High State Investments”), a limited company wholly owned by Mr. Leung, 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 “Placing”). 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 (the “Prospectus”).
- (vi) On 14 January 2015, the shareholders of the Company passed an ordinary resolution to approve the subdivision of each of the existing issued and unissued shares of HK\$0.01 each in the capital of the Company into 8 Subdivided shares of HK\$0.00125 each with effect from 15 January 2015.

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 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Hong Kong's retail markets remain challenging. During the year ended 31 March 2015, the Group's revenue decreased by approximately 4.6% to approximately HK\$268.4 million (2014: HK\$281.4 million). The decrease was mainly due to the shift of demand from high-end fine wine to less expensive fine wine during the year ended 31 March 2015 which was partially offset by the increase in sales of rare and collectible and premium high-end wine and spirits.

The Group operates two retail shops in Hong Kong, one in Tsimshatsui and one in Causeway Bay. The Group's main priority is creating and sustaining brand value among its discerning customers. In order to reinforce the Group's brand leadership, it has also conducted a number of brand enhancement activities, such as organising and participating in wine tasting activities, as well as participating in wine exhibitions.

The management believes that Chinese consumers in Hong Kong will remain to be the driver of growth in the global luxury retail market as they strive to pursue a better lifestyle by purchasing luxury products.

Red wine continued to be the Group's core product type and main source of profit driver. In response to the challenging retail market in Hong Kong, the Group will continue to improve its sales by offering and implementing new marketing channels and shopping methods, adjusting its sales and marketing strategies and optimizing its inventory level. The Group is confident in its position as one of Hong Kong's main premium wine retailers.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by approximately 4.6% from approximately HK\$281.4 million for the year ended 31 March 2014 to approximately HK\$268.4 million for the year ended 31 March 2015. The decrease was mainly due to the shift of demand from high-end fine wine to less expensive fine wine during the year ended 31 March 2015 which was partially offset by the increase in sales of rare and collectible and premium high-end wine and spirits.

Gross profit

Gross profit of the Group decreased by approximately 3.0% from approximately HK\$62.4 million for the year ended 31 March 2014 to approximately HK\$60.5 million for the year ended 31 March 2015. The decrease was mainly due to the decrease in revenue during the year ended 31 March 2015. The gross profit margin slightly improved from approximately 22.2% for the year ended 31 March 2014 to approximately 22.5% for the year ended 31 March 2015, which was a result of the increase in sales of rare and collectible and premium high-end wine and spirits.

Depreciation of property, plant and equipment

The Group recorded depreciation on property, plant and equipment of approximately HK\$2.3 million and HK\$1.5 million for the two years ended 31 March 2014 and 2015 respectively.

Other expenses

Other expenses of the Group decreased from approximately HK\$12.4 million for the year ended 31 March 2014 to nil for the year ended 31 March 2015. The significant decrease 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 which was non-recurrent in nature.

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 increased by approximately 88.3% from approximately HK\$12.8 million for the year ended 31 March 2014 to approximately HK\$24.1 million for the year ended 31 March 2015.

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 which was non-recurrent in nature.

Excluding the one-off listing expenses of the Group of HK\$12.2 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 3.6% compared to the year ended 31 March 2015 of approximately HK\$24.1 million.

DIVIDEND

The Directors recommend the payment of a final dividend of HK1 cent per share, amounting to HK\$9.6 million in aggregate for the year ended 31 March 2015 whose names appear on the Register of Member of the Company on Friday, 26 June 2015 (2014: HK 1 cent). It is expected that the final dividend payment will be made to shareholders on 3 July 2015, subject to the approval of the Company's shareholders at the Annual General Meeting of the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2015 Annual General Meeting, the register of members of the Company will be closed from Wednesday, 17 June 2015 to Friday, 19 June 2015, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 16 June 2015.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Thursday, 25 June 2015 to Friday, 26 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at the above address for registration not later than 4:30 p.m. on Wednesday, 24 June 2015.

Annual General Meeting

The 2015 Annual General Meeting of the Company will be held on Friday, 19 June 2015. A notice convening the meeting will be issued in due course.

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	141,763	157,703
Current liabilities	31,640	38,713
Current ratio	4.48	4.07

The current ratio of the Group at 31 March 2015 was approximately 4.48 times as compared to that of approximately 4.07 times at 31 March 2014. It was mainly resulted from a decrease in current liabilities which outpaced the decrease in current assets which arose out of the lowered business volume during the year.

At 31 March 2015, the Group had total bank balances and cash and pledged bank deposits of approximately HK\$32.9 million (2014: HK\$35.7 million).

At 31 March 2015, 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 14.2% (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.

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\$10.6 million as at 31 March 2015 (2014: HK\$3.1 million). As at 31 March 2015, the Group did not have any significant capital commitments (2014: Nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 18 in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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 2015, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2015 (2014: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group has foreign currency purchases denominated in Euro, Great Britain 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 2015, 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 2015, the Group pledged its bank balance of HK\$5.0 million (2014: HK\$5.6 million) as securities for banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed a total of 35 full-time and 2 part-time employees (2014: 37 full-time and 2 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were approximately HK\$12.5 million for the year ended 31 March 2015 (2014: HK\$12.0 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.

USE OF PROCEEDS

The net proceeds from the Company's Placing in January 2014, after deducting underwriting commission and expenses in connection with the Placing, were approximately HK\$16.3 million. After the date of listing on 10 January 2014, these proceeds were used for the purposes in accordance with the future plans and prospects as set out in the Company's Prospectus dated 6 January 2014.

An analysis of the utilisation of the net proceeds from the Placing and the unused amount as at 31 March 2015 is set out below:

	Net proceeds from the Placing <i>HK\$'000</i>	Utilised amount as at 31 March 2015 <i>HK\$'000</i>	Unutilised amount as at 31 March 2015 <i>HK\$'000</i>
(i) increase the Group's wine and spirits stock inventory and to expand the Group's existing collection of wine and spirits products	11,382	(11,382)	–
(ii) expansion of the Group's point of sales by opening one new retail showroom	3,252	(3,252)	–
(iii) working capital and other general corporate uses	1,626	(1,626)	–
Total	<u>16,260</u>	<u>(16,260)</u>	<u>–</u>

LOOKING FORWARD

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

Looking ahead, the winery market will likely to continue to face challenge in the coming years. 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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the year ended 31 March 2015.

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 practicable.

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 2015 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 year ended 31 March 2015.

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 2015.

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 2015 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, 13 May 2015

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 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>.