



**MAJOR**  
HOLDINGS LIMITED

美捷滙控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8209

A decorative, curved graphic element on the right side of the cover, featuring a purple background with intricate white floral and scrollwork patterns.

# 1<sup>ST</sup> QUARTERLY REPORT 2015

\* for identification purposes only

## **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 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 three months ended 30 June 2015, unaudited operating results of the Group were as follows:

- profit after taxation for the three months ended 30 June 2015 amounted to approximately HK\$2.5 million, representing a decrease of approximately 26.5% from the corresponding period of the previous financial year;
- basic earnings per share for the three months ended 30 June 2015 based on ordinary shares of 960,000,000 in issue was approximately 0.26 HK cents; and
- the Board resolved to declare the payment of a quarterly dividend of 0.5 HK cents per share for the three months ended 30 June 2015.

### RESULTS

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 three months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

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

For the three months ended 30 June 2015

	Notes	Three months ended	
		30 June	
		2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Revenue	4	<b>54,115</b>	54,172
Cost of sales		<b>(43,216)</b>	(42,366)
Gross profit		<b>10,899</b>	11,806
Other income		–	213
Other gains and losses, net		<b>51</b>	(165)
Promotion, selling and distribution expenses		<b>(4,153)</b>	(3,305)
Administrative expenses		<b>(3,660)</b>	(4,239)
Finance costs		<b>(64)</b>	(81)
Profit before taxation		<b>3,073</b>	4,229
Income tax expense	5	<b>(595)</b>	(781)
Profit and total comprehensive income for the period attributable to owners of the Company		<b>2,478</b>	3,448
		<b>HK cents</b>	HK cents (restated)
Earnings per share, basic and diluted	7	<b>0.26</b>	0.36



# Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2015

	Issued capital HK\$'000	Share Premium HK\$'000	Capital reserve HK\$'000	Other reserves HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2015 (audited)	1,200	131,534	(104,902)	30,483	56,558	114,873
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	2,478	2,478
Final dividend (Note 6)	-	-	-	-	(9,600)	(9,600)
At 30 June 2015 (unaudited)	1,200	131,534	(104,902)	30,483	49,436	107,751
At 1 April 2014 (audited)	1,200	131,534	(104,902)	30,483	63,626	121,941
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	3,448	3,448
At 30 June 2014 (unaudited)	1,200	131,534	(104,902)	30,483	67,074	125,389

# Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2015

## 1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands. 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.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

### (a) Statement of Compliance

These unaudited condensed consolidated financial statements for the three months ended 30 June 2015 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The accounting policies adopted in preparing the unaudited condensed consolidated financial statements for the three months ended 30 June 2015 are consistent with those followed in the preparation of the Group's annual financial statements for the preceding year ended 31 March 2015.

### (b) Basis of Measurement

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

### (c) Functional and Presentation Currency

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is the same as the functional currency of the Company.



# Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2015

## 3. APPLICATION OF NEW AND REVISED HKFRSS

In the current period, the Group has adopted all the new and revised HKFRSS issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2015. The application of these new and revised HKFRSS did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not early applied the new and revised HKFRSS that have been issued but are not yet effective. The Directors anticipate that the application of these new and revised HKFRSS will have no material impact on the unaudited condensed consolidated financial statements.

## 4. REVENUE

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.

## 5. INCOME TAX EXPENSE

	Three months ended 30 June	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Hong Kong Profits Tax	616	696
Deferred tax	(21)	85
	<b>595</b>	781

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

# Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2015

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 audit cannot be readily ascertained at this stage. The Directors 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.

## 6. DIVIDEND

	Three months ended	
	30 June	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Final dividend, 1 HK cent per share (2014: 1 HK cent) (Note 1)	9,600	9,600
Quarterly dividend, 0.5 HK cents per share (2014: Nil) (Note 2)	4,800	—

Notes:

- (1) Final dividend of 1 HK cent (2014: 1 HK cent) per share was paid to shareholders as the final dividend for the financial year ended 31 March 2015. Adjustments were made to the amount of dividend per share for 2014 final dividend due to the share subdivision pursuant to which 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.
- (2) The quarterly dividend has not been recognized as a liability at the end of the reporting period.



# Notes to the Condensed Consolidated Financial Statements

For the three months ended 30 June 2015

## 7. EARNINGS PER SHARE

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

	Three months ended 30 June	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
<b>Earnings:</b>		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	2,478	3,448
	'000	'000 (restated)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	960,000	960,000

The calculation of the weighted average number of shares outstanding during the period ended 30 June 2014 have been retrospectively adjusted to reflect the share subdivision which was effective from 15 January 2015.

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

# Management Discussion and Analysis

## **BUSINESS REVIEW AND OUTLOOK**

During the three months ended 30 June 2015, the retail industry of Hong Kong was continuously impacted by a number of incidents such as “protest against parallel traders” and the replacement of the “multiple-entry” individual visit endorsements for permanent residents of Shenzhen by the “one-trip” per week individual visit endorsements. During the period under review, revenue slightly decreased by approximately 0.2% to approximately HK\$54.1 million (30 June 2014: HK\$54.2 million).

The Group had implemented a special offer campaign to reinforce our customers’ buying habit and broaden our customer base during the period under review in response to the challenging retail market in Hong Kong.

Red wine has continued to be the Group’s core product type and main source of profit driver. The Group will continue to improve its sales by offering and implementing new marketing channels and shopping methods, adjusting its sales and marketing strategies, as well as optimizing its inventory levels and costs control measurement. The Group is confident in its position as one of Hong Kong’s main premium wine retailers.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group slightly decreased by approximately 0.2% from approximately HK\$54.2 million for the three months ended 30 June 2014 to approximately HK\$54.1 million for the three months ended 30 June 2015.

### **Gross Profit**

Gross profit of the Group decreased by approximately 7.6% from approximately HK\$11.8 million for the three months ended 30 June 2014 to approximately HK\$10.9 million for the three months ended 30 June 2015. The decrease was mainly attributable to the implementation of a special offer campaign to reinforce our customers’ buying habit and broaden our customer base in response to the challenging retail market in Hong Kong during the three months ended 30 June 2015.

### **Promotion, Selling and Distribution Expenses and Administrative Expenses**

Promotion, selling and distribution expenses of the Group increased by approximately 27.3% from approximately HK\$3.3 million for the three months ended 30 June 2014 to approximately HK\$4.2 million for the three months ended 30 June 2015. The change was mainly attributable to the increase in operating lease payment in respect of retail shops and staff costs during the three months ended 30 June 2015.



# Management Discussion and Analysis

Administrative expenses of the Group decreased by approximately 11.9% from approximately HK\$4.2 million for the three months ended 30 June 2014 to approximately HK\$3.7 million for the three months ended 30 June 2015. The decrease was mainly attributable to the decrease of operating lease payment of the office premises, depreciation of property, plant and equipment and motor vehicles expenses, which was slightly offset by the increase of legal and professional fees.

## **Income Tax Expenses**

Income tax expenses for the Group decreased by approximately 25.0% from approximately HK\$0.8 million for the three months ended 30 June 2014 to approximately HK\$0.6 million for the three months ended 30 June 2015. The decrement was mainly due to the decrease of estimated assessable profit during the three months ended 30 June 2015 compared to the corresponding period in 2014.

## **Profit and Total Comprehensive Income for the Period Attributable to Owners of the Company**

For the reasons mentioned above, profit and total comprehensive income for the period attributable to owners of the Company decreased by approximately 26.5% from approximately HK\$3.4 million for the three months ended 30 June 2014 to approximately HK\$2.5 million for the three months ended 30 June 2015.

## **Quarterly Dividend**

The Directors have resolved to declare a quarterly dividend of 0.5 HK cents per share to Shareholders whose names appear on the register of members of the Company on 2 September 2015 (2014: Nil). It is expected that the quarterly dividend payments will be made to shareholders on 18 September 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 1 September 2015 to Wednesday, 2 September 2015 (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 Wednesday, 2 September 2015 are entitled to the quarterly dividend. In order to be entitled to receive the quarterly 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 Monday, 31 August 2015.

## 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 June 2015, 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 Securities and Futures Ordinance ("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, will be as follows:

Name	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding
Mr. Cheung Chun To	Interest in controlled corporation (Note 1)	367,200,000 shares	38.25%
Mr. Leung Chi Kin Joseph	Interest in controlled corporation (Note 2)	352,800,000 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 367,200,000 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 352,800,000 shares held by High State Investments Limited.

## Management Discussion and Analysis

Save as disclosed above, as at 30 June 2015, 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 June 2015, so far as it were known to the Directors or chief executive 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)	367,200,000 shares	38.25%
High State Investments Limited	Beneficial owner (Note 2)	352,800,000 shares	36.75%
Ms. Lin Shuk Shuen	Family Interest (Note 3)	367,200,000 shares	38.25%
Ms. Ma Pui Ying	Family Interest (Note 4)	352,800,000 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 367,200,000 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 352,800,000 shares held by High State Investments Limited.

# Management Discussion and Analysis

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, as at 30 June 2015, the Directors or chief executive of the Company were not aware of any person (other than a director or chief executive of the Company) who has an interest or short position in the securities in the Company that would be required 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.

## **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 three months ended 30 June 2015.

## **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 had a material interest, whether directly or indirectly, subsisted at 30 June 2015 or at any time during the three months ended 30 June 2015.

## **DIRECTOR'S INTEREST IN COMPETING INTERESTS**

The Directors are not aware of any business or interest of the Directors, the controlling shareholders and their respective close 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 three months ended 30 June 2015.



# Management Discussion and Analysis

## **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 during the three months ended 30 June 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 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 three months ended 30 June 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.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by the Company’s former compliance adviser, Ample Capital Limited (the “Former Compliance Adviser”), save for the compliance adviser agreement dated 10 December 2013 entered into between the Company and the Former Compliance Adviser (the “Former Compliance Adviser Agreement”), neither the Former Compliance Adviser, its directors, employees and close 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 June 2015.

The Company and the Former Compliance Adviser have mutually agreed to terminate the Former Compliance Adviser Agreement with effect from 30 June 2015, which arose out of no consensus being reached between the Company and the Former Compliance Adviser on the level of works required and the level of revised fees.

# Management Discussion and Analysis

The Company has appointed Innovax Capital Limited (“Innovax Capital”) as its new compliance adviser as required under Rules 6A.19 and 6A.27 of the GEM Listing Rules. Innovax Capital will receive fees for acting as the Company’s compliance adviser with effect from 1 July 2015.

Announcements on the change of compliance adviser have been made by the Company on 30 June 2015 and 3 July 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 unaudited consolidated results of the Group for the three months ended 30 June 2015.

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

Hong Kong, 5 August 2015

*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.*