MAJOR HOLDINGS LIMITED

美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1389)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2024:

- Revenue decreased by 15.3% from HK$74.4 million for the year ended 31 March 2023 to HK$63.0 million for the year ended 31 March 2024

- Loss and total comprehensive expense attributable to the owners of the Company for the year ended 31 March 2023 was HK$16.6 million, whereas loss and total comprehensive expense attributable to owners of the Company for the year ended 31 March 2024 was HK$15.7 million

- Basic loss per share restated was HK4.29 cent for the year ended 31 March 2023, whereas basic loss per share was HK3.96 cent for the year ended 31 March 2024

- The Board does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: Nil)

* *For identification purposes only*

ANNUAL RESULTS

The directors (the "**Directors**") of the board (the "**Board**") is pleased to announce the audited consolidated results of Major Holdings Limited (the "**Company**") and its subsidiaries (collectively as the "**Group**") for the year ended 31 March 2024 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 2024

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Revenue	*3*	**63,039**	74,443
Cost of sales		**(57,573)**	(66,574)
Gross profit		**5,466**	7,869
Interest revenue		**53**	28
Other income	*4*	**3,834**	2,879
Other gains and losses, net	*5*	**(4,995)**	(6,352)
Promotion, selling and distribution expenses		**(7,226)**	(9,632)
Administrative expenses		**(12,267)**	(10,665)
Loss from operations		**(15,135)**	(15,873)
Finance costs	*6*	**(548)**	(758)
Loss before tax		**(15,683)**	(16,631)
Income tax credit	*7*	**–**	37
Loss and total comprehensive expense for the year attributable to owners of the Company	*8*	**(15,683)**	(16,594)
Loss per share	*10*		(Restated)
– Basic and diluted (HK cent)		**(3.96)**	(4.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**541**	2,085
Right-of-use assets	*11*	**3,607**	7,489
Deposits	*14*	**–**	201
		4,148	9,775
Current assets			
Inventories	*12*	**63,367**	71,678
Trade receivables	*13*	**15,172**	9,380
Prepayments, deposits and other receivables	*14*	**26,397**	35,146
Current tax assets		**413**	450
Bank and cash balances		**26,450**	5,933
		131,799	122,587
Current liabilities			
Trade payables	*15*	**2,737**	1,701
Contract liabilities	*16*	**3,769**	5,961
Other payables		**1,530**	756
Bank borrowings	*17*	**–**	4,000
Due to a director	*18*	**–**	2,000
Lease liabilities	*19*	**3,536**	3,337
Current tax liabilities		**147**	–
		11,719	17,755
Net current assets		**120,080**	104,832
Total assets less current liabilities		**124,228**	114,607

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Non-current liabilities			
Lease liabilities	*19*	**1,259**	4,794
		1,259	4,794
NET ASSETS		**122,969**	109,813
Capital and reserves			
Share capital	*20*	**6,929**	4,158
Reserves		**116,040**	105,655
TOTAL EQUITY		**122,969**	109,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

Major Holdings Limited (the "Company") was incorporated in Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Suite 1507, Tower 2, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

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

3. REVENUE AND SEGMENT INFORMATION

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers and total revenue:		
Sales of goods	**63,039**	74,443

Disaggregation of revenue from contracts with customers:

	2024	2023
	HK$'000	*HK$'000*
Major products:		
Red wine	**47,623**	54,738
White wine	**6,164**	8,022
Sparkling wine	**2,248**	2,405
Spirit	**6,888**	9,026
Sake	**47**	184
Wine accessory products	**63**	65
Others	**6**	3
	63,039	74,443

The Group's geographical market is mainly in Hong Kong. The revenue is recognised at a point of time for the year.

Sales of goods

The Group sells red wine, white wine, sparkling wine, spirit, sake and wine accessory products to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

The products sold to customers are returnable to the Group within one week from delivery to the customers. Revenue from these sales is recognised based on the prices specified in the contracts, net of the estimated sales return. Accumulated experience is used to estimate and provide for the sales return, using the expected value method. A contract liability is recognised for the expected sales return payable to customers in relation to the sales made.

Sales to customers are normally made with credit terms of 0 to 30 days. For walk-in customers at retail shops, no credit period is offered. For certain long term and wholesale customers with good business relationships, credit period is granted. For other customers, deposits or cash on delivery is required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group's operating segment is sale and distribution of premium wine and spirits products and wine accessory products. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive director 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 3 to the consolidated financial statements. Since this is the only operating segment of the Group, no further analysis thereof is presented.

Geographical information

The Group's revenue are all derived from Hong Kong based on the location of goods delivered and all of the Group's non-current assets are located in Hong Kong by physical location of assets.

Revenue from major customer

No individual customer exceed 10% of the total revenue of the Group during the year.

4. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Consignment commission	**541**	298
Storage fee income	**3,293**	2,072
Government subsidy	**–**	509
	3,834	2,879

5. OTHER GAINS AND LOSSES, NET

	2024 *HK$'000*	2023 *HK$'000*
Net foreign exchange (loss)/gain	**(17)**	46
Loss allowance provision for trade receivables	**(4,437)**	(3,302)
Impairment loss on goodwill	**–**	(2,254)
Impairment loss on property, plant and equipment	**(30)**	(293)
Impairment loss on right-of-use assets	**(474)**	(499)
Loss on disposal of property, plant and equipment	**–**	(29)
Others	**(37)**	(21)
	(4,995)	(6,352)

6. FINANCE COSTS

	2024 *HK$'000*	2023 *HK$'000*
Interest on bank borrowings	**165**	404
Lease interest expenses	**383**	354
	548	758

7. INCOME TAX CREDIT

	2024 *HK$'000*	2023 *HK$'000*
Current tax – Hong Kong Profits Tax		
– Provision for the year *(note)*	**–**	–
	–	–
Deferred tax	**–**	(37)
	–	(37)

Note:

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2024 as the Group did not generate any assessable profits arising in Hong Kong during that year. Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 March 2023.

At the end of the reporting period, the Group has estimated tax losses of HK$48,149,000 (2023: HK$40,181,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining HK$7,944,000 (2023: HK$6,630,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

The reconciliation between the income tax credit and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2024	2023
	HK$'000	*HK$'000*
Loss before tax	**(15,683)**	(16,631)
Tax at the Hong Kong Profits Tax rate of 16.5% (2023: 16.5%)	**(2,588)**	(2,744)
Tax effect of income not taxable for tax purpose	**(12)**	(23)
Tax effect of expense not deductible for tax purpose	**1,134**	785
Tax effect of temporary differences not recognised	**265**	578
Tax effect of tax losses not recognised	**1,201**	1,367
Income tax credit	**–**	(37)

8. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2024	2023
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**1,675**	1,999
Depreciation of right-of-use assets	**3,408**	2,591
Amortisation of intangible assets	**–**	225
Auditor's remuneration	**440**	430
Cost of inventories sold	**57,573**	66,574
Net allowance for inventories (included in cost of inventories sold)	**810**	1,384
Staff costs including directors' emoluments		
– Salaries, bonuses and allowances	**7,008**	7,819
– Sale commission	**228**	313
– Retirement benefit scheme contributions	**265**	300
	7,501	8,432

9. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company for the year ended 31 March 2024 is based on the loss for the year attributable to owners of the Company of approximately HK$15,683,000 (2023: approximately HK$16,594,000) and the weighted average number of ordinary shares of 395,780,057 (2023 (restated): 386,615,128 ordinary shares, adjusted by the share consolidation and right issue as described in note 20) in issue during the year.

(b) Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary share during the years ended 31 March 2024 and 2023.

11. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

At 31 March	**2024** *HK$'000*	2023 *HK$'000*
Right-of-use assets – buildings	**3,607**	7,489
Lease commitments of short-term leases	**90**	148
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	**3,720**	3,720
– Between 1 and 3 years	**1,280**	5,000
	5,000	8,720

Year ended 31 March	**2024** *HK$'000*	2023 *HK$'000*
Depreciation charge of right-of-use assets – Buildings	**3,408**	2,591
Lease interest expenses	**383**	354
Expenses related to short-term leases	**749**	573
Total cash outflow for leases	**4,468**	4,119
Additions to right-of-use assets	**–**	10,223
Impairment loss on right-of-use assets	**474**	499

Lease agreements are typically made for fixed periods of 1-3 (2023: 1-3) years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group carried out reviews of the recoverable amount of its right-of-use assets as the Group recorded continuous loss for the years ended 31 March 2024 and 2023. These assets are used in the Group's sale and distribution of premium wine and spirits products business. The reviews led to the recognition of an impairment loss of right-of-use assets of HK$474,000 (2023: HK$499,000) that has been recognised in profit or loss. The recoverable amount of the relevant right-of-use assets of HK$1,042,000 (2023: HK$2,725,000) has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 14.00% (2023: 13.40%) for the year ended 2024.

12. INVENTORIES

	2024	2023
	HK$'000	*HK$'000*
Premium wine and spirits products	**62,500**	70,775
Wine accessory products	**867**	903
	63,367	71,678

13. TRADE RECEIVABLES

Sales to customers are normally made with credit terms of 0 to 30 days. Generally, no credit period is offered to walk-in customers at retail shops. The credit period granted to certain long term and wholesale customers with good business relationships. Trade receivables from third parties mainly represent receivables from customers in relation to the sales of premium wine and spirits products.

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**27,313**	17,084
Provision for loss allowance	**(12,141)**	(7,704)
Carrying amount	**15,172**	9,380

The ageing analysis of trade receivables, based on invoice date, and net of allowance, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0 to 30 days	**4,420**	3,300
31 to 60 days	**436**	110
61 to 90 days	**439**	1,540
91 to 120 days	**2,120**	5
121 to 180 days	**3,465**	454
181 to 365 days	**3,547**	3,463
Over 365 days	**745**	508
	15,172	9,380

Reconciliation of loss allowance for trade receivables:

	2024	2023
	HK$'000	*HK$'000*
At 1 April	**7,704**	4,402
Increase in loss allowance for the year	**4,437**	3,302
At 31 March	**12,141**	7,704

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Over 30 days past due	Over 60 days past due	Over 120 days past due	Total
At 31 March 2024					
Weighted average expected loss rate	**–**	**–**	**–**	**61.07%**	
Receivable amount (HK$'000)	**4,439**	**436**	**2,559**	**19,879**	**27,313**
Loss allowance (HK$'000)	**–**	**–**	**–**	**12,141**	**12,141**
At 31 March 2023					
Weighted average expected loss rate	–	–	–	79.65%	
Receivable amount (HK$'000)	4,845	54	2,513	9,672	17,084
Loss allowance (HK$'000)	–	–	–	7,704	7,704

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Tax indemnity receivables from shareholders *(note)*	**3,817**	3,817
Prepayments and other receivables	**1,080**	1,026
Trade deposits paid	**20,573**	29,580
Rental and utilities deposits	**889**	888
Other deposits	**38**	36
	26,397	35,347

	2024	2023
	HK$'000	*HK$'000*
Analysed as:		
– Non-current assets	**–**	201
– Current assets	**26,397**	35,146
	26,397	35,347

Note:

Inland Revenue Department ("IRD") invoke section 82A of Inland Revenue Ordinance ("IRO") to impose penalty by way of additional tax for the years of assessment 2009/10 to 2015/16 and 2017/18 of which some years of assessment up to and including 2013/14 had been statutorily time barred under section 80(5) of the IRO.

The Group is hereby prepared to pay the sum of HK$1,880,000 as penalty under section 82A of the IRO for the years of assessment 2009/10 to 2015/16 and 2017/18 and compound penalty of HK$110,000 for the offence of keeping incomplete business records under the requirement of section 51C of the IRO on behalf of the shareholders of the Group.

The Group will also settle tax underpaid in prior years and holdover interest amounted to HK$1,701,000 and HK$126,000 respectively to IRD on behalf of the shareholders of the Group.

Mr. Cheung Chun To is the executive director of the Company and Silver Tycoon Limited which is controlled by Mr. Cheung Chun To, pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance, the maximum amount outstanding are HK$3,817,000.

15. TRADE PAYABLES

The ageing analysis of trade payables, based on invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0 to 30 days	**667**	850
31 to 60 days	**67**	–
61 to 365 days	**1,152**	–
Over 365 days	**851**	851
	2,737	1,701

16. CONTRACT LIABILITIES

Disclosures of revenue-related item:

At	**31 March 2024**	31 March 2023	1 April 2022
	HK$'000	*HK$'000*	*HK$'000*
Contract liabilities	**3,769**	5,961	12,093
Contract receivables (included in trade receivables)	**15,172**	9,380	14,236

Transaction prices allocated to performance obligations unsatisfied at the end of the year and expected to be recognised as revenue in the year ended 31 March:

– 2024	**N/A**	5,961
– 2025	**3,769**	–
	3,769	5,961

Year ended 31 March	**2024**	2023
	HK$'000	*HK$'000*
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	**5,518**	10,885

Significant changes in contract liabilities during the year:

	2024	2023
	HK$'000	*HK$'000*
Increase due to operations in the year	**60,968**	45,236
Transfer of contract liabilities to revenue	**(63,160)**	(51,368)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

17. BANK BORROWINGS

	2024	2023
	HK$'000	*HK$'000*
Unsecured import loans	**–**	4,000

The borrowings are repayable as follows:

	2024	2023
	HK$'000	*HK$'000*
On demand or within one year	**–**	4,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	**–**	(4,000)
Amount due for settlement after 12 months	**–**	–

The average interest rates at 31 March were as follows:

	2024	2023
Bank borrowings	**–**	5.68%–5.87%

18. DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and has no fixed repayment terms.

19. LEASE LIABILITIES

	Minimum lease payments		**Present value of minimum lease payments**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**3,720**	3,720	**3,536**	3,337
Over one year but within three years	**1,280**	5,000	**1,259**	4,794
	5,000	8,720		
Less: Future finance charges	**(205)**	(589)		
Present value of lease obligations	**4,795**	8,131	**4,795**	8,131
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(3,536)**	(3,337)
Amount due for settlement after 12 months (shown under non-current liabilities)			**1,259**	4,794

As at 31 March 2024, the average effective borrowing rate was 5.78% (2023: 5.78%) p.a.. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

20. SHARE CAPITAL

		Number of shares *'000*	Total *HK$'000*
Authorised:			
Ordinary shares of HK$0.0125 (2023: HK$0.00125) each			
At 1 April 2022, 31 March 2023, 1 April 2023		**8,000,000**	**10,000**
Share Consolidation	*Note (i)*	**(7,200,000)**	**–**
At 31 March 2024		**800,000**	**10,000**
Issued and fully paid:			
Ordinary shares of HK$0.0125 (2023: HK$0.00125) each			
At 1 April 2022, 31 March 2023, 1 April 2023		**3,326,000**	**4,158**
Share Consolidation	*Note (i)*	**(2,993,400)**	**–**
Issue of ordinary shares by rights issue	*Note (ii)*	**221,733**	**2,771**
At 31 March 2024		**554,333**	**6,929**

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 years ended 31 March 2024 and 2023.

Notes:

(i) On 31 January 2024, the Company completed the consolidation of shares in the issued shares of the Company whereby every ten issued and unissued ordinary shares of HK$0.00125 each were consolidated into one consolidated ordinary share of HK$0.0125 each (the "Share Consolidation").

(ii) On 12 March 2024, the Company issued 221,733,000 ordinary shares upon completion of the rights issue on the basis of two rights share for three existing shares held by shareholders of the Company at a subscription price of HK$0.136 per rights share. The gross proceeds from the rights issue were approximately HK$30,155,000. The net proceeds after deducting estimated professional fees and related expenses of approximately HK$1,316,000 was HK$28,839,000.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes bank borrowings and lease liabilities as disclosed in notes 17 and 19 to the consolidated financial statements, respectively, and equity of the Group, comprising issued capital, share premium, capital reserve, other reserve and retained profits.

The directors of the Company review the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings or the repayment of the existing borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

According to the Report on Monthly Survey of Retail Sales March 2024 produced by the Hong Kong Census and Statistics Department, the value of Hong Kong Total Retail Sales in March 2024 decreased by 7%, the volume of Hong Kong Total Retail Sales in March 2024 decreased by 8.6%, and the value index of Sales of food, alcoholic drinks and tobacco increased by 47.4% for the 3 months ended 31 March 2024. On the other hand, the value of online retail sales was HK$31.7 billion for the year ended 31 March 2024, which was decreased by 2.7% as compared with that in March 2023.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by 15.3% from HK$74.4 million for the year ended 31 March 2023 to HK$63.0 million for the year ended 31 March 2024. The decrease was mainly due to the decrease of the sales of red wine from HK$54.7 million for the year ended 31 March 2023 to HK$47.6 million for the year ended 31 March 2024.

Gross profit

Gross profit of the Group decreased by 30.5% from HK$7.9 million for the year ended 31 March 2023 to HK$5.5 million for the year ended 31 March 2024. The decrease was mainly due to the decrease in revenue during the year ended 31 March 2024. The gross profit margin decreased from 10.6% for the year ended 31 March 2023 to 8.7% for the year ended 31 March 2024 which was mainly due to discounts offered to customers for the year ended 31 March 2024.

Other income

Other income of the Group for the year ended 31 March 2023 was HK$2.9 million, whereas other income of the Group for the year ended 31 March 2024 was HK$3.8 million.

Depreciation of property, plant and equipment and right-of-use assets

Depreciation on property, plant and equipment of the Group for the year ended 31 March 2023 was HK$2.0 million, whereas depreciation on property, plant and equipment of the Group for the year ended 31 March 2024 was HK$1.7 million. Depreciation on right-of-use assets for the year ended 31 March 2023 was HK$2.6 million, whereas depreciation on right-of-use assets for the year ended 31 March 2024 was HK$3.4 million.

Promotion, selling and distribution expenses and administrative expenses

Promotion, selling and distribution expenses and administrative expenses of the Group decreased by 4.0% from HK$20.3 million for the year ended 31 March 2023 to HK$19.5 million for the year ended 31 March 2024 which was mainly attributable to the decrease in salary expenses for the year ended 31 March 2024.

Income tax credit

Income tax credit of the Group was HK$37 thousand for the year ended 31 March 2023, whereas income tax credit of the Group was HK$ nil for the year ended 31 March 2024.

Loss and total comprehensive expense for the year attributable to owners of the Company

For the reasons mentioned above, loss and total comprehensive expense attributable to the owners of the Company for the year ended 31 March 2023 was HK$16.6 million, whereas loss and total comprehensive expense attributable to owners of the Company for the year ended 31 March 2024 was HK$15.7 million.

Final dividend

The Board does not recommend the payment of a final dividend to shareholders of the Company ("**Shareholders**") for the year ended 31 March 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2024 Annual General Meeting, the register of members of the Company will be closed from Tuesday, 6 August 2024 to Friday, 9 August 2024, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 August 2024.

ANNUAL GENERAL MEETING

The 2024 Annual General Meeting of the Company will be held on Friday, 9 August 2024. A notice convening the meeting will be issued in due course.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 March	
	2024	2023
Current assets	**HK$131,799,000**	HK$122,587,000
Current liabilities	**HK$11,719,000**	HK$17,755,000
Current ratio	**11.25**	6.90

The current ratio of the Group at 31 March 2023 was 6.90 times, whereas the current ratio of the Group at 31 March 2024 was 11.25 times. It was mainly attributed to the increase in bank balances and decrease in bank loans for the year ended 31 March 2024.

At 31 March 2024, the Group had total bank and cash balances of HK$26.5 million (2023: HK$5.9 million).

At 31 March 2024, the Group's gearing ratio (represented by the aggregate sum of amount due to a director, lease liabilities and bank borrowings divided by equity) amounted to 3.9% (2023: 12.9%). The Group currently have not entered into any derivative contracts to hedge its exposure to interest rate risk. However, the management of the Group will consider hedging significant interest rate exposure should the need arise.

The Group's financial position is sound and strong. With available cash and bank balances, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 20 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, these were no other significant investments held as at 31 March 2024. The Group does not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, the company did not have any other material acquisitions or disposals of subsidiaries and affiliated companies for the year ended 31 March 2024.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2024 (2023: 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 and trade payables related to purchases made by the Group were denominated in foreign currencies. However, the directors of the Company ("**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 2024, the Group had no significant exposure under foreign currency purchase contracts. 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.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 30 December 2013 which became effective on 10 January 2014 and further reiterated by the AGM on 11 August 2023 for another 10 years. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

(b) Participants of the Share Option Scheme and Eligibility Criteria

The eligible persons of the Share Option Scheme to whom options may be granted by the Board shall include any directors, employee, consultants or advisers, or any other person, who at the sole discretion of the Board, has contributed to the Group ("**Eligible Person**").

(c) Maximum number of Shares available for Subscription

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme unless the Company obtains a fresh approval.

(d) Maximum entitlement of each Eligible Person

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve month period must not exceed 1% of the issued share capital of the Company.

(e) Time of exercise of Option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, saved for as that such period shall not be more than ten years from the date of acceptance of the offer (subject to the provisions for early termination in accordance with the Share Option Scheme).

(f) Subscription Price

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

(i) the closing price per Share as stated in The Stock Exchange of Hong Kong Limited's ("**Stock Exchange**") daily quotation sheet on the offer date;

(ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date; or

(iii) the nominal value of the Share.

(g) Life of the Share Option Scheme

The Company may, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme. Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Share Option Scheme.

During the year ended 31 March 2024, no option under the Share Option Scheme has been granted by the Company (2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed a total of 22 full-time and 1 part-time employees (2023: 23 full-time and 1 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were HK$7.5 million for the year ended 31 March 2024 (2023: HK$8.4 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 and discretionary bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

During the years ended 31 March 2023 and 2024, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 31 March 2023 and 2024, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Listing Rules.

OUTLOOK

Global

According to the World Economic Outlook in April 2024 – "Steady but Slow: Resilience amid Divergence" in April 2024, by the International Monetary Fund, the forecast is as follows:–

1. The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies – where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 – will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now – at 3.1 percent – is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

2. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

3. Global Prospects and Policies

   Economic activity was surprisingly resilient through the global disinflation of 2022–2023. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. However, the pace of expansion is expected to be low by historical standards and the speed of convergence toward higher living-standards for middle- and lower-income countries has slowed, implying persistent global disparities. With inflationary pressures abating more swiftly than expected in many countries, risks to the global outlook are now broadly balanced compared with last year. Monetary policy should ensure that inflation touches down smoothly. A renewed focus on fiscal consolidation is needed to rebuild room for budgetary maneuver and priority investments, and to ensure debt sustainability. Intensifying supply-enhancing reforms are crucial to increase growth towards the higher prepandemic era average and accelerate income convergence. Multilateral cooperation is needed to limit the costs and risks of geoeconomic fragmentation and climate change, speed the transition to green energy, and facilitate debt restructuring.

4. Changes in mortgage and housing markets over the prepandemic decade of low interest rates moderated the near-term impact of policy rate hikes. On investigating the effects of monetary policy across countries and over time through the lens of mortgage and housing markets, monetary policy has greater effects where (1) fixed-rate mortgages are not common, (2) home buyers are more leveraged, (3) household debt is high, (4) housing supply is restricted, and (5) house prices are overvalued. These characteristics vary significantly across countries, and thus the effects of monetary policy are strong in some and weak in others. Moreover, recent shifts in mortgage and housing markets may have limited the drag of higher policy rates up to now in several countries. The risk that households may still feel the pinch should be taken seriously where fixed-rate mortgages have short fixation periods, especially if households are heavily indebted.

5. Medium-term prospects and shows that the lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labor from moving to productive firms, resulting in slowdown in Global Medium-Term Growth.

   The world economy's growth engine is losing steam, prompting questions about its medium-term prospects. The drivers behind the growth decline and identifies a significant and widespread slowdown in total factor productivity as a key factor, partly driven by increased misallocation of capital and labor between firms within sectors. Demographic pressures and a slowdown in private capital formation further precipitated the growth slowdown. Absent policy action or technological advances, medium-term growth is projected to fall well below prepandemic levels. To bolster growth, urgent reforms are necessary to improve resource allocation to productive firms, boost labor force participation, and leverage artificial intelligence for productivity gains. Addressing these issues is critical, given the additional constraints high public debt and geoeconomic fragmentation may impose on future growth.

6. Real Spillovers from G20 Emerging Markets. Prospects for growth in China and other large emerging market economies will weigh on trading partners.

   As G20 emerging markets account for almost one-third of world GDP and about one-quarter of global trade, spillovers from shocks originating in these economies can have important ramifications for global activity. Since 2000, spillovers from shocks in G20 emerging markets – particularly China – have increased and are now comparable in size to those from shocks in advanced economies. Trade, notably through global value chains, is a key propagation channel. Spillovers generate a reallocation of economic activity across firms and sectors in other countries. Looking ahead, a plausible growth acceleration in G20 emerging markets, even excluding China, could support global growth over the medium term and spill over to other countries. Policymakers in recipient economies should maintain sufficient buffers and strengthen policy frameworks to manage the possibility of larger shocks from G20 emerging markets.

China

According to the "China Economic Quarterly Q4 2023 and economic outlook for 2024", by the PricewaterhouseCoopers China:

1. China's GDP grew 5.2% in 2023, surpassing the official target.

2. Economic recovery was uneven in the fourth quarter, with industrial output and fixed asset investment accelerating but retail sales slowing in December.

3. High-tech sectors continued to shine, with related industrial production, fixed asset investments, bank lending, foreign direct investment and exports growing at a faster pace than the broader economy.

4. Anaemic consumer spending, sluggish consumer prices, and slowing imports consistently underscore the imperative for boosting domestic demand.

5. In terms of investment, China's pivot towards the high-tech sector is expected to continue, with recent policy highlighting the green energy sector.

6. Policymakers will likely up their game to put a floor under the real estate sector by rolling out further supportive measures.

7. With global demand unlikely to bounce back sharply, policymakers will need to step up economic stimulus to prop up growth.

8. Domestic demand will pick up steam in 2024 if policymakers roll out larger-scale, more coordinated policy measures to shore up household and business confidence.

China Economic outlook 2024

Looking ahead, China's economic recovery is expected to continue in 2024, driven by stabilizing exports and a continuing pivot towards high-tech investments. This year will also mark China's transition into a new normal – a slower but more balanced trajectory of economic growth. To further accelerate the economic recovery, it will be crucial for the government to roll out larger-scale support measures to stimulate domestic demand. Particularly, six key areas are expected to be essential picked up by the Chinese Government in 2024:

1. GDP – Shifting gears towards more sustainable and balanced growth

2. China's property sector – Less of a drag on economic growth

3. Pivot towards high – tech and green sectors

4. Consumer spending – Weak confidence still clouds the horizon

5. Light at the end of the export tunnel

6. Economic stimulus – From a piecemeal approach to bringing out the big guns

Hong Kong

According to the "Hong Kong Budget Summary 2024-2025", by the KPMG on February 2024 Report,

1 2024-2025 Government revenue and expenditure (estimated)

Total government revenue for 2024-25 is estimated to be HKD633.0 billion (2023-24: HKD554.6 billion) within which tax revenues (i.e., Profits Tax, Stamp Duty, Salaries Tax) account for 53.5%, followed by investment income at 14.2% and land premiums at 5.2%. Total government expenditure is estimated at HKD776.9 billion (2023-24: HKD727.9 billion). Education, social welfare and healthcare account for about 48.9% of total government expenditure. The government forecasts an overall consolidated deficit of HKD48.1 billion for 2024-25. Hong Kong's fiscal reserves are predicted to remain healthy at about HKD685.1 billion as at 31 March 2025. Fiscal reserves are estimated to stand at HKD832.2 billion by the end of March 2029, which is equivalent to roughly 12 months of government expenditures.

2 Real Gross Domestic Product growth rate

Overall, the Hong Kong economy showed a growth of 3.2% year-on-year, predominantly as a result of the strong growth in local private consumption and a sharp rise in inbound visitors. With the continuous global economic growth, the local private consumption and fixed asset investments are anticipated to increase. With various measures rolled out by the government to attract enterprises, capital and talent, Hong Kong's economy is expected to remain stable in the foreseeable future.

3 Underlying inflation rate

The underlying inflation rate in 2023 is estimated to be 1.7%, which is the same as the year before. Looking ahead, the inflation outlook for 2024 will be heavily impacted by the increasing domestic cost as a result of economic recovery and external price pressures mainly driven by geopolitical tensions. The inflation pressure in Hong Kong should remain moderate in overall terms.

4 Unemployment rate

The unemployment rate as at January 2024 in Hong Kong is 2.9%. Looking ahead, it is anticipated that the unemployment rate will largely remain at similar level.

5 Key measures by the HK Government

- HKD100 million to promote sustainable development of financial services

- Issue HKD50 billion of Silver Bond and HKD20 billion of retail green bonds and infrastructure bonds

- Inject HKD500 million to launch "E-commerce Easy", and provide up to HKD1 million per enterprise for implementing e-commerce projects in the Chinese Mainland

- Stamp duties payable on the transfer of real estate investment trust (REIT) units and the jobbing business of option market-makers will be waived

- Allocate over HKD1.09 billion to strengthen tourism development and organize events

- Earmark HKD100 million to boost mega-event promotions for the next 3 years

- Allocate HKD65 million to concessionary measures for Hong Kong-registered ships that have attained a high rating under international standards of decarbonization

6 Key proposals in Innovation and Technology

- HKD3 billion earmarked to launch a Frontier Technology Research Infrastructure Support Scheme

- HKD2 billion to support the presence of the InnoHK research cluster in Hetao

- Allocate HKD3 billion to support local universities, R&D institutes and enterprises to leverage its computing power

- HKD6 billion to expedite establishment of life and health technology research institutes for universities

- Launch the New Industrialization Acceleration Scheme and provide enterprises with up to HKD200 million on a matching basis

- Allocate HKD300 million to launch business version of "iAM Smart"

- An additional fund of HKD100 million on providing digital training courses and technical support to the elderly

Industry Trend Report

According to the Statista.com Spirit HK Reports, which provided statistical data for the year of 2024.

1. Revenue, at home (e.g., revenue generated in supermarkets and convenience stores) in the Spirits market amounts to US$354.1 million in 2024.

2. Revenue, out-of-home (e.g., revenue generated in restaurants and bars) amounts to US$201.8 million in 2024.

3. Revenue, combined amounts to US$556.0 million in 2024.

4. The revenue, at home is expected to grow annually by 3.61% (Compound Annual Growth Rate, CAGR 2024-2028).

5. In global comparison, most revenue, at home is generated in China (US$150,400 million in 2024).

The analyst of the Statista.com had the opinion that:

1. Customer preferences: In recent years, there has been a shift in consumer preferences towards premium and craft spirits in Hong Kong. Consumers are increasingly seeking unique and high-quality products, and are willing to pay a premium for them. This trend is driven by a growing appreciation for craftsmanship and a desire for more personalized and exclusive experiences. As a result, there has been an increase in the demand for small-batch and artisanal spirits, as well as a rise in the popularity of cocktail culture.

2. Trends in the market: One of the key trends in the spirits market in Hong Kong is the rise of locally produced spirits. Hong Kong has seen a surge in the number of craft distilleries, producing a wide range of spirits including gin, vodka, and whisky. These local distilleries have gained popularity among consumers who value locally sourced and produced products. In addition, there has been an increase in the number of bars and restaurants that specialize in craft cocktails, further driving the demand for locally produced spirits. Another trend in the market is the growing interest in premium and aged spirits. Consumers in Hong Kong are increasingly willing to invest in high-quality and aged spirits, particularly whisky. This trend is driven by a desire for exclusivity and the perception that aged spirits are of higher quality. As a result, there has been a rise in the demand for premium and limited-edition whiskies, as well as a growing interest in whisky tasting events and education.

3. Local special circumstances: Hong Kong's status as a global financial hub and its thriving tourism industry contribute to the growth of the spirits market. The city attracts a large number of international visitors, many of whom are interested in experiencing the local food and beverage scene. This has led to an increase in the demand for premium spirits, as well as a growing interest in cocktail culture. In addition, Hong Kong's cosmopolitan nature and diverse population create a vibrant and dynamic market for spirits, with consumers from different backgrounds and cultures contributing to the demand for a wide range of products.

4. Underlying macroeconomic factors: The strong economy and high disposable income levels in Hong Kong have also played a role in the growth of the spirits market. With a high standard of living and a culture that values luxury and indulgence, consumers in Hong Kong are willing to spend more on premium and high-quality products. In addition, the city's favorable tax policies and free trade agreements make it an attractive market for international spirits brands. These factors, combined with changing consumer preferences and local special circumstances, have created a positive environment for the growth of the spirits market in Hong Kong.

According to Statista, wine industry revenue in Hong Kong is expected to reach US$622 million in 2022. The performance of wine industry is expected to return to its pre-pandemic levels (2019) in 2023.

Statista estimates that global revenue in the industry will amount to US$310.6 billion in 2022, with the market expected to grow 11.75% annually between 2022 and 2025.

Statista forecasts that the revenue of the mainland China wine sector will reach US$25.7 billion in 2022 and grow annually between 2022 and 2025 by 6.76%.

Company's tactics

As an open economy, Hong Kong is particularly vulnerable to the impact of the global situation. Currently it is affected by war, inflation, oil price, high interest rates, it will be facing a challenging external environment in 2024 and 2025. The management of the Group remains cautiously optimistic about future economic recovery. However, in face of the complex and volatile global economy and geopolitics, the outlook is full of uncertainties.

In order to take advantage of the business opportunities in the mainland China market, many international wine companies have set up a presence in Hong Kong and have transferred their specialist partners to the city. For example, Robert Sleigh, Senior Director and head of Sotheby's wine department in Asia, relocated to Hong Kong from New York in September 2010. In 2014, Sotheby's set up a wine retail store in Hong Kong, which is its second store in the world, after the one it opened at its New York headquarters in 2010.

To cope with the wine market in Hong Kong, the Group implemented certain strategical sales and marketing activities, such as organizing different sales campaigns, wine tasting, events and functions, to share plenty of wine inspiration and knowhow. Based on the Group's experience, we strive to broadening customer base, and product mix, to different tier of customer levels, ensure our quality product portfolios can satisfy the customer needs. Although the market trends change constantly, our professional wine consultants through various sales channels and marketing activities, can provide prompt knowledge and expertise to our esteem customers, to suit their different tastes.

Management have adopted various contingency measures, including developing the online shop platform with customers, reducing costs to preserve working capital, improving both the staff organizational structure and cost structure, streamlining processes and automating works to raise the operational efficiency, in order to maintain the Group's strengths for its long term development and enable the Group to develop and grow as soon as possible.

Whilst the Group is confident to develop actively in the premium wine and spirit market, red wine continued to be one of the Group's core product type, upon which the Group will continue to improve its sales by implementing new sales strategies, marketing channels, promotion methods. As a whole, the Group will endeavor to position itself as one of the Hong Kong's main premium wine retailers in the long run.

Apart from that, the Group will actively seek new business opportunities from time to time in order to diversify its business and enhance the long-term growth of the Group and its shareholders' value.

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 2024.

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangement or contract of significance, in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2024 or at any time during that year.

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 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 year ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value. The Board has adopted the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report as set out in Appendix 14 (restructured as Appendix C1 since 31 December 2023) to the Listing Rules for the year ended 31 March 2024. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability. The Board is pleased to report compliance with the code provisions of the CG Code for the year ended 31 March 2024. The Directors will continue to use their best endeavors to procure the Company to comply with the CG Code and make disclosure of deviation from such code in accordance with the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 (restructured as Appendix C3 since 31 December 2023) to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Model Code regarding securities transactions by the Directors for the year ended 31 March 2024.

AUDIT COMMITTEE

The primary duties of the Audit Committee are mainly to review and supervise the financial systems of the Group; to review the accounting policy, financial position, financial reporting procedures, internal control and risk management systems of the Group; to communicate with external auditors; to assess the performance of internal financial and audit personnel. The Audit Committee consists of three members, namely Mr. Siu Shing Tak, Mr. Yue Kwai Wa Ken, Mr. Ngai Hoi Ying (resigned on 1 May 2024) and Ms. Li Bo (appointed on 1 May 2024), all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2024.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the Listing Rules.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

EVENT AFTER THE REPORTING PERIOD

There were no significant events after the reporting period of the Group.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 5 March 2024, the Company completed the rights issue on the basis of two (2) Rights Shares for every three (3) Shares of the Company at the subscription price of HK$0.136 per Rights Share, the gross proceeds raised from the Rights Issue are approximately HK$30.2 million and the net proceeds from the Rights Issue after deducting the relevant expenses are approximately HK$29.0 million. The Company intends to apply the net proceeds from the Rights issue by 31 March 2025 of (i) approximately HK$17.5 million for the setting up of a new retail shop in the PRC, in particular, (a) approximately HK$3.0 million as startup cost for such shop, including renovation cost, rental expense and staff cost; and (b) approximately HK$14.5 million for procurements of premium liquor for such PRC shop; (ii) approximately HK$9.7 million for procurements of high-end premium liquor for the Hong Kong business of the Group, including red wine, white wine and champagne; and (iii) approximately HK$1.8 million for improvement of the online shop and IT infrastructure of the Group. As of 31 March 2024, the said net proceeds have not been fully utilised.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.majorcellar.com). The annual report of the Company for the year ended 31 March 2024 and the notice of annual general meeting of the Company will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.majorcellar.com) in due course.

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

Hong Kong, 14 June 2024

As at the date of this announcement, the executive Director is Mr. Cheung Chun To, and the independent non-executive Directors are Mr. Yue Kwai Wa Ken, Mr. Siu Shing Tak and Ms. Li Bo.