



美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE:1389

INTERIM REPORT
2015

Corporate Information

Registered office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarter, head office and principal place of business in Hong Kong

Suite 822
Ocean Centre
Harbour City
5 Canton Road
Kowloon
Hong Kong

Executive directors

Mr. Cheung Chun To (*Chairman*)
Mr. Leung Chi Kin Joseph
Mr. Cheung Chun Pang
Ms. Cheung Wing Shun

Independent non-executive directors

Mr. Wong Siu Ki
Mr. Yue Kwai Wa Ken
Mr. Ngai Hoi Ying

Company secretary

Mr. Chan Yee Tak (HKICPA)

Compliance officer

Ms. Cheung Wing Shun

Authorised representatives

Mr. Cheung Chun To
Mr. Leung Chi Kin Joseph

Audit committee

Mr. Wong Siu Ki (*Chairman*)
Mr. Yue Kwai Wa Ken
Mr. Ngai Hoi Ying

Remuneration committee

Mr. Yue Kwai Wa Ken (*Chairman*)
Mr. Wong Siu Ki
Mr. Ngai Hoi Ying

Nomination committee

Mr. Ngai Hoi Ying (*Chairman*)
Mr. Wong Siu Ki
Mr. Yue Kwai Wa Ken

Compliance adviser

Innovax Capital Limited
Office 1, 1/F
Lucky Building
39 Wellington Street, Central
Hong Kong

Principal share registrar and transfer office in the Cayman Islands

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal bankers

China Construction Bank
(Asia) Corporation Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Standard Chartered Bank
(Hong Kong) Limited
Shanghai Commercial Bank Limited

Auditor

Deloitte Touche Tohmatsu
35/F
One Pacific Place
88 Queensway
Hong Kong

Hong Kong legal adviser

Robertsons
57/F., The Center
99 Queen's Road Central
Hong Kong

Website address

<http://www.majorcellar.com>

Stock Code

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Financial Highlights

For the six months ended 30 September 2015, unaudited operating results of the Group were as follows:

- profit after taxation for the six months ended 30 September 2015 amounted to approximately HK\$4.5 million, representing a decrease of approximately 30.8% from the corresponding period of the previous financial year;
- basic earnings per share for the six months ended 30 September 2015 based on ordinary shares of 960,000,000 in issue was 0.47 HK cents; and
- The Board resolved to declare the payment of an interim dividend of 0.5 HK cents per share for the six months ended 30 September 2015 (30 September 2014: Nil).



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

For the six months ended 30 September 2015

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board (the "Board") of directors (the "Directors") of Major Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

	Notes	Six months ended 30 September 2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Revenue	3	103,512	112,795
Cost of sales		(82,809)	(89,617)
Gross profit		20,703	23,178
Other income		82	389
Other gains and losses, net		67	77
Promotion, selling and distribution expenses		(7,923)	(7,134)
Administrative expenses		(7,213)	(8,318)
Finance costs	4	(130)	(192)
Profit before taxation		5,586	8,000
Income tax expense	5	(1,117)	(1,468)
Profit and total comprehensive income for the period attributable to owners of the Company	6	4,469	6,532
		HK cents	HK cents (restated)
Earnings per share, basic and diluted	8	0.47	0.68

Condensed Consolidated Statement of Financial Position

As at 30 September 2015

	Notes	30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	9	2,865	3,316
Rental deposits	10	379	2,067
		3,244	5,383
Current assets			
Inventories		75,476	79,929
Trade and other receivables, deposits and prepayments	10	38,448	28,885
Pledged bank deposits		5,001	5,001
Bank balances and cash		9,370	27,948
		128,295	141,763
Current liabilities			
Trade and other payables, accrued charges and deposits received	11	20,187	14,795
Amount due to a shareholder		240	660
Tax liabilities		699	945
Obligations under finance leases – due within one year		534	519
Bank borrowings	12	4,612	14,721
		26,272	31,640
Net current assets		102,023	110,123
Total assets less current liabilities			
		105,267	115,506
Capital and reserves			
Issued capital	13	1,200	1,200
Reserves		103,742	113,673
Total equity		104,942	114,873
Non-current liabilities			
Obligations under finance leases – due after one year		158	429
Deferred tax liability		167	204
		105,267	115,506

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

	Issued capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2015 (audited)	1,200	131,534	(104,902)	30,483	56,558	114,873
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	4,469	4,469
Dividends (Note 7)	-	-	-	-	(14,400)	(14,400)
At 30 September 2015 (unaudited)	1,200	131,534	(104,902)	30,483	46,627	104,942
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)	-	-	-	-	6,532	6,532
Dividends (Note 7)	-	-	-	-	(9,600)	(9,600)
At 30 September 2014 (unaudited)	1,200	131,534	(104,902)	30,483	60,558	118,873

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	6,630	1,326
Net cash used in investing activities	(444)	(5,767)
Net cash used in financing activities	(24,764)	(14,326)
Net decrease in cash and cash equivalents	(18,578)	(18,767)
Cash and cash equivalents at beginning of the period	27,948	30,100
Cash and cash equivalents at end of the period, represented by bank balances and cash	9,370	11,333



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 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 Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 January 2014 and transferred listing to Main Board of the Stock Exchange on 30 October 2015. The addresses of the Company’s registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Suite 822, Ocean Centre, Harbour City, 5 Canton Road, Kowloon, Hong Kong, respectively.

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

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Companies Ordinance (Cap. 622).

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

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

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

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount. The Group’s operation is solely derived from sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong for both periods. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Group) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 2. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

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

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Red wine	87,597	103,806
White wine	4,098	3,648
Sparkling wine	3,309	2,030
Spirits	8,269	3,100
Wine accessory products	235	139
Other products	4	72
	103,512	112,795

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

Geographical information

No geographical segment information is presented as the Group's revenue are all derived from Hong Kong based on the location of goods delivered and the Group's property, plant and equipment amounting to HK\$2,865,000 (31 March 2015: HK\$3,316,000) as at 30 September 2015 are all located in Hong Kong by physical location of assets.

4. FINANCE COSTS

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Interests on:		
Bank borrowings wholly repayable within five years	106	153
Obligations under finance leases	24	39
	130	192

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Hong Kong Profits Tax:		
Current year	1,154	1,343
Deferred tax	(37)	125
	1,117	1,468

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

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 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Profit and total comprehensive income for the period has been arrived at after charging:		
Other staff costs:		
Salaries and other benefits	4,961	4,663
Sales commission	819	916
Retirement benefits scheme contributions	200	188
Total staff costs	5,980	5,767
Depreciation of property, plant and equipment	475	770
Operating lease payments in respect of office premises, warehouses and retail shops	4,120	4,125

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

7. DIVIDENDS

During the current interim period, a final dividend of 1 HK cent per share in respect of the year ended 31 March 2015 (2014: 1 HK cent per share in respect of the year ended 31 March 2014, adjustments were made to the amount of dividend per share for 2014 final dividend and due to the share subdivision during the year ended 31 March 2015 in 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) was declared and paid to the owners of the Company. The aggregate amount of the dividend declared and paid in the current interim period amounted to HK\$9,600,000 (2014: HK\$9,600,000).

During the current interim period, a quarterly dividend of 0.5 HK cents per share (2014: Nil) was declared and paid to the owners of the Company. The aggregate amount of the quarterly dividend declared and paid in the current interim period amounted to HK\$4,800,000 (2014: Nil).

Subsequent to the end of the interim period, the board of directors have declared that an interim dividend of 0.5 HK cents (2014: Nil) in cash per share will be paid to the owners of the Company whose names appear in the Register of Members of the Company on 27 November 2015.

On 5 November 2014, the Company declared a special dividend of 1.25 HK cents per share (adjustments were made to the amount of dividend per share for 2014 special dividend and due to the share subdivision during the year ended 31 March 2015 in 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) was declared and paid.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

8. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	4,469	6,532
	'000	'000 (restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	960,000	960,000

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the period ended 30 September 2014 has been retrospectively adjusted to reflect for 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired equipment and leasehold improvement of approximately HK\$24,000 (31 March 2015: HK\$809,000).

At 30 September 2015 the carrying values of motor vehicles included an amount of approximately HK\$1,401,000 (31 March 2015: HK\$1,552,000) in respect of assets held under finance leases.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade receivables from third parties	11,527	14,527
Trade deposits paid	23,892	13,211
Other receivables and prepayments	3,408	3,214
Total trade and other receivables, deposits and prepayments	38,827	30,952
Analysed as		
Current	38,448	28,885
Non-current	379	2,067
	38,827	30,952

Generally, no credit period is offered to walk-in customers at our retail shops. The credit period granted to long term and wholesale customers with good business relationship with the Group ranged up to 120 days. Trade receivables from third parties mainly represent receivables from customers in relation to the sales of premium wine and spirits products.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

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

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
0 to 30 days	4,205	4,176
31 to 60 days	2,462	10,153
61 to 90 days	1,227	31
Over 90 days	3,633	167
	11,527	14,527

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\$5,409,000 (31 March 2015: HK\$934,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there were subsequent settlement or no historical default of payments by the respective customers and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

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

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade payables	8,419	8,426
Trade deposits received	10,414	5,125
Other payables and accrued charges	1,354	1,244
	20,187	14,795

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

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
0 to 30 days	2,469	3,101
31 to 60 days	852	929
61 to 90 days	968	1,641
Over 90 days	4,130	2,755
	8,419	8,426

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

12. BANK BORROWINGS

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Secured import loans	–	1,370
Unsecured import loans	2,372	7,785
Unsecured bank loans	2,240	5,566
	4,612	14,721

As at 30 September 2015 and 31 March 2015, the unsecured bank borrowings are guaranteed by the Company. As at 31 March 2015, the secured bank borrowings were secured by pledged bank deposits.

13. ISSUED CAPITAL

	Number of shares	Share capital HK\$'000
Authorised ordinary shares of HK\$0.01 each At 1 April 2014 and 30 September 2014	1,000,000,000	10,000
Authorised ordinary shares of HK\$0.00125 each At 1 April 2015 and 30 September 2015	8,000,000,000	10,000
Issued ordinary shares of HK\$0.01 each At 1 April 2014 and 30 September 2014	120,000,000	1,200
Issued ordinary shares of HK\$0.00125 each At 1 April 2015 and 30 September 2015	960,000,000	1,200

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 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 six months ended 30 September 2015.

14. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions:

	Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Sales to related parties		
– Mr. Cheung Chun To	–	10
– Ms. Cheung Wing Shun	–	2
– Major Watch Company Limited ("Major Watch") (Note i)	30	110
	30	122
Rental expense in respect of warehouse paid or payable to Mr. Leung Chi Kin Joseph (Note ii)	240	240

Notes:

- i) Major Watch Company Limited is a private limited company controlled by Cheung Chun To and Cheung Chun Pang who are the executive Directors of the Company.
- ii) As at 30 September 2015, the Group have commitments for future minimum lease payments in respect of warehouse to Mr. Leung Chi Kin Joseph who is an executive Director of the Company amounted to HK\$240,000 (30 September 2014: HK\$240,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

Compensation of key management personnel

The remuneration of the Directors and other members of key management which were determined by reference to the Group's performance during the period ended 30 September 2015 and 2014, respectively are as follows:

	Six months ended	
	30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Short-term benefits	1,893	1,910
Post-employment benefits	52	50
	1,945	1,960

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 September 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. The strength of the Hong Kong dollar adversely affected the attractiveness of shopping in Hong Kong. During the period under review, revenue decreased by approximately 8.2% to approximately HK\$103.5 million (30 September 2014: HK\$112.8 million).

The Group had implemented a special offer campaign to reinforce our customers’ purchasing 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.

Looking forward, the worldwide economic environment will continue to be uncertain. The Group will increase its efforts to enhance the Group’s profile through participation in exhibitions and fairs, tasting events and expand its product portfolio to keep abreast of market trends. Furthermore, given that the Group successfully transferred its listing from GEM to the Main Board of the Stock Exchange under the new stock code 1389 on 30 October 2015, the Directors believe that such transfer can strengthen the Group’s growth momentum and enhance its corporate image and share liquidity.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by approximately 8.2% from approximately HK\$112.8 million for the six months ended 30 September 2014 to approximately HK\$103.5 million for the six months ended 30 September 2015.

Gross profit

Gross profit of the Group decreased by approximately 10.8% from approximately HK\$23.2 million for the six months ended 30 September 2014 to approximately HK\$20.7 million for the six months ended 30 September 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 six months ended 30 September 2015.

Management Discussion and Analysis

Promotion, selling and distribution expenses and administrative expenses

Promotion, selling and distribution expenses of the Group increased by approximately 11.3% from approximately HK\$7.1 million for the six months ended 30 September 2014 to approximately HK\$7.9 million for the six months ended 30 September 2015. The change was mainly attributable to the increase in staff costs and operating lease payment in respect of warehouses and retails shops during the six months ended 30 September 2015.

Administrative expenses of the Group decreased by approximately 13.3% from approximately HK\$8.3 million for the six months ended 30 September 2014 to approximately HK\$7.2 million for the six months ended 30 September 2015. The decrease was mainly attributable to the decrease of operating lease payment of the office premises, depreciation of property, plant and equipment, bank charges and motor vehicles expenses, which was slightly offset by the increase of legal and professional fees.

Depreciation of property, plant and equipment

The Group recorded depreciation on property, plant and equipment of approximately HK\$0.5 million and HK\$0.8 million for the six months ended 30 September 2015 and 30 September 2014 respectively.

Finance costs

Finance costs of the Group decreased by approximately 32.3% from approximately HK\$0.2 million for the six months ended 30 September 2014 to approximately HK\$0.1 million for the six months ended 30 September 2015. The decrease was mainly due to the decrease in average bank borrowings during the six months ended 30 September 2015.

Income tax expense

Income tax expense for the Group decreased by approximately 26.7% from approximately HK\$1.5 million for the six months ended 30 September 2014 to approximately HK\$1.1 million for the six months ended 30 September 2015. The decrement was mainly due to the decrease of estimated assessable profit during the six months ended 30 September 2015 compared to the corresponding period in 2014.

Management Discussion and Analysis

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 30.8% from approximately HK\$6.5 million for the six months ended 30 September 2014 to approximately HK\$4.5 million for the six months ended 30 September 2015.

INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 0.5 HK cents per share to shareholders whose names appear on the Register of Members on Friday, 27 November, 2015 (30 September 2014: Nil). It is expected that the interim dividend payments will be made to shareholders on 17 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The share register of members of the Company will be closed from Wednesday, 25 November 2015 to Friday, 27 November 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 Friday, 27 November 2015 (the "Record Date") are entitled to the interim dividend. In order to be entitled to receive the interim dividend, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Tuesday, 24 November 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Current assets	128,295	141,763
Current liabilities	26,272	31,640
Current ratio	4.88	4.48

Management Discussion and Analysis

The current ratio of the Group at 30 September 2015 was approximately 4.88 times as compared to that of approximately 4.48 times at 31 March 2015. 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 period under review. At 30 September 2015, the Group had total bank balances and cash and pledged bank deposits of approximately HK\$14.4 million (31 March 2015: HK\$32.9 million). At 30 September 2015, the Group's gearing ratio (represented by the sum of amount due to a shareholder, obligations under finance leases and bank borrowings divided by equity) amounted to approximately 5.3% (31 March 2015: 14.2%). 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 believes that it 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\$6,928,000 as at 30 September 2015 (31 March 2015: HK\$10,568,000). As at 30 September 2015 and 31 March 2015, the Group did not have any significant capital commitments.

PLEDGE OF ASSETS

As at 30 September 2015, the Group pledged its bank balance of HK\$5,001,000 (31 March 2015: HK\$5,001,000) as securities for banking facilities granted to the Group.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2015 (31 March 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2015, the Group employed a total of 36 full-time and 2 part-time employees (31 March 2015: 35 full-time and 2 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were approximately HK\$6.0 million for the six months ended 30 September 2015 (30 September 2014: HK\$5.8 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

Management Discussion and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2015, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

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

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

So far as were known to the Directors or chief executive of the Company, as at 30 September 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 the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules ("Model Code"), were as follows:

Name	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding
Mr. Cheung Chun To	Interest in controlled corporation (Note 1)	367,200,000 shares	38.25%
Mr. Leung Chi Kin Joseph	Interest in controlled corporation (Note 2)	352,800,000 shares	36.75%

Management Discussion and Analysis

Notes:

1. Mr. Cheung Chun To beneficially owns the entire shareholding interests in Silver Tycoon Limited. Therefore, Mr. Cheung Chun To is deemed to be interested in the 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.

Save as disclosed above, as at 30 September 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 the Model Code.

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

As at 30 September 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%

Management Discussion and Analysis

Notes:

1. Mr. Cheung Chun To beneficially owns the entire shareholding interests in Silver Tycoon Limited. Therefore, Mr. Cheung Chun To is deemed to be interested in the 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.
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 September 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.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “Share Option Scheme”) which provides incentives or rewards to eligible persons of the Group for their contribution to the Group. Details of the Share Option Scheme have been set out in the Company’s 2015 Annual Report. During the six months ended 30 September 2015, there is no option granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the six months ended 30 September 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 of the Company had a material interest, whether directly or indirectly, subsisted at 30 September 2015 or at any time during the six months ended 30 September 2015.

Management Discussion and Analysis

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 six months ended 30 September 2015.

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") during the six months ended 30 September 2015 (as the Company was only transferred to list on Main Board since 30 October 2015, the GEM Listing Rules was still applicable to relevant disclosure requirements as at and during the six months ended 30 September 2015 in this report). The Company has confirmed, having made specific enquiry to the Directors, all the Directors have complied with the Required Standard of Dealings during the six months ended 30 September 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 during the six months ended 30 September 2015 (as the Company was only transferred to list on Main Board since 30 October 2015, the GEM Listing Rules was still applicable to relevant disclosure requirements as at and during the six months ended 30 September 2015 in this report) except the following deviation: Code Provision of A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Mr. Cheung Chun To, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable. The Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code during the six months ended 30 September 2015 and the Directors will use their best endeavours to procure the Company to comply with such code and from 31 October 2015 onwards, the provisions set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules and make disclosure of deviation from such code in accordance with the Listing Rules.

Management Discussion and Analysis

INTERESTS OF THE COMPLIANCE ADVISER

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.

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 received fees for acting as the Company’s compliance adviser with effect from 1 July 2015.

As notified by the Innovax Capital, save for the compliance adviser agreement dated 30 June 2015 entered into between the Company and the Innovax Capital, neither Innovax Capital, 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 September 2015.

Announcements on the change of compliance adviser have been made by the Company on 30 June 2015 and 3 July 2015.

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

Save for those disclosed in this report, there were no other significant investments held as at 30 September 2015. The Group did not have other plans for material investments and capital assets as at 30 September 2015.

TREASURY POLICIES

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

Management Discussion and Analysis

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\$.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from those disclosed under the heading "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the six months ended 30 September 2015 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

As at 30 September 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.

Management Discussion and Analysis

AUDIT COMMITTEE

The Audit Committee was established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the Code on Corporate Governance on 30 December 2013. The primary duties of the Audit Committee are mainly to review the financial systems of the Group; to review the accounting policy, financial position and financial reporting procedures of the Group; to communicate with external auditors; to assess the performance of internal financial and audit personnel; and to assess the internal controls of the Group. The Audit Committee consists of three members, namely Mr. Wong Siu Ki, Mr. Yue Kwai Wa Ken and Mr. Ngai Hoi Ying, all being independent non-executive Directors. The interim financial information has not been audited by the auditor of the Company. The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 September 2015.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the website of the Company (www.majorcellar.com) and the Stock Exchange (www.hkexnews.hk). The 2015 interim report will be dispatched to shareholders and available on the above websites in due course.

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

Hong Kong, 6 November 2015

