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CORPORATE INFORMATION

Registered office

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

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

Suite 1507, Tower 2
Silvercord
30 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

Company's website

www.majorcellar.com

Executive director

Mr. Cheung Chun To (*Chairman*)

Independent non-executive directors

Mr. Yue Kwai Wa Ken
Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)
Mr. Siu Shing Tak
Ms. Li Bo (*appointed on 1st May 2024*)

Company secretary

Mr. Sin Chi Keung

Authorised representatives

Mr. Cheung Chun To
Mr. Sin Chi Keung

Audit committee

Mr. Siu Shing Tak (*Chairman*)
Mr. Yue Kwai Wa Ken
Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)
Ms. Li Bo (*appointed on 1st May 2024*)

Remuneration committee

Mr. Yue Kwai Wa Ken (*Chairman*)
Mr. Siu Shing Tak
Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)
Ms. Li Bo (*appointed on 1st May 2024*)

Nomination committee

Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)
Ms. Li Bo (*appointed on 1st May 2024*)
Mr. Siu Shing Tak
Mr. Yue Kwai Wa Ken

Principal share registrar and transfer office in the Cayman Islands

Conyers 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal banker

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

Auditor

Beijing Xinghua Caplegend CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
1/F GR8 Inno-Tech Centre,
No. 46 Tsun Yip Street,
Kwun Tong, Kowloon
Hong Kong

Hong Kong legal adviser

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

Stock code

1389

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board") of Major Holdings Limited (the "Company", together with its subsidiaries, the "Group"), it is my pleasure to present the Group's Annual Report for the year ended 31 March 2025.

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2025:

- Revenue decreased by 7.9% from HK\$63.0 million for the year ended 31 March 2024 to HK\$58.0 million for the year ended 31 March 2025
- Loss and total comprehensive expense attributable to the owners of the Company for the year ended 31 March 2024 was HK\$15.7 million, whereas loss and total comprehensive expense attributable to owners of the Company for the year ended 31 March 2025 was HK\$13.4 million
- Basic loss per share was HK3.96 cents for the year ended 31 March 2024, whereas basic loss per share was HK2.41 cents for the year ended 31 March 2025
- The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil)

BUSINESS ENVIRONMENT

According to the Report on Monthly Survey of Retail Sales March 2025 produced by the Hong Kong Census and Statistics Department, the value of Hong Kong Total Retail Sales in March 2025 decreased by 7.3%, the volume of Hong Kong Total Retail Sales in March 2025 decreased by 8.9%, and the value index of Sales of food, alcoholic drinks and tobacco increased by 29.9% for the 3 months ended 31 March 2025. On the other hand, the value of online retail sales was HK\$31.5 billion (2024: 31.7 billion) for the 12 months year ended 31 March 2025, which was decreased by 0.4% as compared with that in March 2024.

Since Russia invaded Ukraine in February 2022, the war lasted for more than 3 years. The feelings of shock and outrage provoked by that act of aggression have given way to a mixture of frustration, anxiety, and bewilderment over a war that drags on with no end in sight. Meanwhile, fighting has spread in the Middle East as Israel wreaks vengeance on Gaza for the October 7 armed attack by the Palestinian militant group Hamas. US President Donald Trump was expected to amplify Republican support for Israel President Netanyahu's policy while muting sympathy for the Palestinians within the progressive wing of the Democratic Party, thus skewing the international environment in favor of the Israeli offensive. And thus US has a very closed relationship with the two wars.

In January 2025, a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity.

In accordance with the World Economic Outlook April 2025 Report by the International Monetary Fund, the swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. As of April 4, global growth is projected to drop to 2.8 percent in 2025 and 3 percent in 2026 – down from 3.3 percent for both years in the January 2025 Report, corresponding to a cumulative downgrade of 0.8 percentage point.

CHAIRMAN'S STATEMENT

In view of this difficult and uncertain economic situation, management have adopted various contingency measures, including developing the on-line 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 strength for its long term development and enable the Group to get through difficult time and recover its profitability as soon as possible.

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 know-how. 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.

A NOTE OF APPRECIATION

On behalf of the Board, I wish to take this opportunity to express my gratitude to our shareholders, business partners, suppliers and customers who remain faithful to and confident in the Group. I would also like to express my sincere gratitude to the management and staff for their commitment and contribution throughout the years.

Major Holdings Limited
Cheung Chun To
Chairman

Hong Kong, 13 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

According to the Report on Monthly Survey of Retail Sales March 2025 produced by the Hong Kong Census and Statistics Department, the value of Hong Kong Total Retail Sales in March 2025 decreased by 7.3%, the volume of Hong Kong Total Retail Sales in March 2025 decreased by 8.9%, and the value index of Sales of food, alcoholic drinks and tobacco increased by 29.9% for the 3 months ended 31 March 2025. On the other hand, the value of online retail sales was HK\$31.5 billion (2024: 31.7 billion) for the 12 months year ended 31 March 2025, which was decreased by 0.4% as compared with that in March 2024.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by 7.9% from HK\$63.0 million for the year ended 31 March 2024 to HK\$58.0 million for the year ended 31 March 2025. The decrease was mainly due to the decrease of the sales of red and white wine from HK\$53.8 million for the year ended 31 March 2024 to HK\$48.8 million for the year ended 31 March 2025.

Gross (loss)/profit

Gross profit of the Group decreased from HK\$5.5 million for the year ended 31 March 2024 to gross loss of HK\$8.9 million for the year ended 31 March 2025. The decrease was mainly due to the decrease in revenue during the year ended 31 March 2025. The gross loss for the year ended 31 March 2025 which was mainly due to discounts offered to customers and some sales promotion events at below cost of the Group for the year ended 31 March 2025.

Other income

Other income of the Group for the year ended 31 March 2024 was HK\$3.8 million, whereas other income of the Group for the year ended 31 March 2025 was HK\$0.9 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 2024 was HK\$1.7 million, whereas depreciation on property, plant and equipment of the Group for the year ended 31 March 2025 was HK\$0.3 million. Depreciation on right-of-use assets for the year ended 31 March 2024 was HK\$3.4 million, whereas depreciation on right-of-use assets for the year ended 31 March 2025 was HK\$1.9 million.

Promotion, selling and distribution expenses and administrative expenses

Promotion, selling and distribution expenses and administrative expenses of the Group decreased by 41.0% from HK\$19.5 million for the year ended 31 March 2024 to HK\$11.5 million for the year ended 31 March 2025 which was mainly attributable to the decrease in salary and depreciation expenses for the year ended 31 March 2025 and disposal of a subsidiary, The Wine Cave Company Limited during the year.

Income tax expense

Income tax expense of the Group was HK\$nil for the year ended 31 March 2024, whereas income tax expense of the Group was HK\$0.2 million for the year ended 31 March 2025.

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 2024 was HK\$15.7 million, whereas loss and total comprehensive expense attributable to owners of the Company for the year ended 31 March 2025 was HK\$13.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025 (2024: Nil).

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 March	
	2025	2024
Current assets	HK\$116,931,000	HK\$131,799,000
Current liabilities	HK\$8,009,000	HK\$11,719,000
Current ratio	14.60	11.25

The current ratio of the Group at 31 March 2024 was 11.25 times, whereas the current ratio of the Group at 31 March 2025 was 14.60 times. It was mainly attributed to the percentage decrease in current liabilities is higher than the percentage decrease in current assets between 31 March 2025 and 2024.

At 31 March 2025, the Group had total bank and cash balances of HK\$11.5 million (2024: HK\$26.5 million).

At 31 March 2025, the Group's gearing ratio (represented by lease liabilities divided by equity) amounted to 1.1% (2024: 3.9%). 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 26 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 2025. 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 2025.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2025 (2024: Nil).

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 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 be minimal as the majority of the Group's sales, monetary assets and liabilities are denominated in HK\$.

As at 31 March 2025, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

(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.

- (h) The number of options available for grant under the Share Option Scheme as at the beginning and the end of the financial year ended 31 March 2025 were both 33,260,000.
- (i) As at 13 June 2025, the date of the 2025 Annual Report, there were 33,260,000 shares available for issue under the Share Option Scheme, representing 6.0% of the total issued shares of the Company.
- (j) The vesting period for any option granted to any grantee under Share Option Scheme shall commence on date on which the grantee accepts the option granted to the grantee and ending on the vesting date provided that the vesting period shall not be less than twelve (12) months from the date of grant of such option, unless a shorter vesting period under specific circumstances as set out in the Share Option Scheme. The grantee shall pay HK\$1.00 to the Company to accept the offer of the grant of option within thirty (30) days inclusive of, and from the date of offer of such grant of option. Such payment of acceptance shall in no circumstances be refundable.

During the year ended 31 March 2025, no option under the Share Option Scheme has been granted by the Company (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 15 full-time employees (2024: 22 full-time and 1 part-time employees) respectively. The staff costs, including Directors' emoluments, of the Group were HK\$5.7 million for the year ended 31 March 2025 (2024: HK\$7.5 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 2024 and 2025, 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 2024 and 2025, 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 2025, by the International Monetary Fund,

1. Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3 percent in 2025 and 3.6 percent in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025. Intensifying downside risks dominate the outlook.
2. Ratcheting up a trade war, along with even more elevated trade policy uncertainty, could further reduce near- and long-term growth, while eroded policy buffers weaken resilience to future shocks. Divergent and rapidly shifting policy stances or deteriorating sentiment could trigger additional repricing of assets beyond what took place after the announcement of sweeping US tariffs on April 2 and sharp adjustments in foreign exchange rates and capital flows, especially for economies already facing debt distress. Broader financial instability may ensue, including damage to the international monetary system.
3. In the near term, under the reference forecast, global growth is projected to fall from an estimated 3.3 percent in 2024 to 2.8 percent in 2025, before recovering to 3 percent in 2026. This is lower than the projections in the January 2025 WEO Update, by 0.5 percentage point for 2025 and 0.3 percentage point for 2026. Global growth for 2025 would be about 2.8 percent for 2025 and about 2.9 percent for 2026.
4. Global trade growth is expected to slow down in 2025 to 1.7 percentage point, a downward revision of 1.5 percentage point since the January 2025 WEO Update. This forecast reflects increased tariff restrictions affecting trade flows and, to a lesser extent, the waning effects of cyclical factors that have underpinned the recent rise in goods trade. Meanwhile, global current account balances are expected to narrow somewhat. The widening of current account balances in 2024 reflected widening domestic imbalances and a pickup in global goods trade. Over the medium term, global balances are expected to narrow gradually as the effects of these factors wane. Creditor and debtor stock positions are estimated to have increased in 2024, with the increases reflecting widening current account balances. They are expected to moderate slightly over the medium term as current account balances gradually narrow. In some economies, gross external liabilities remain large from a historical perspective and pose risks of external stress.

MANAGEMENT DISCUSSION AND ANALYSIS

5. *Escalating trade measures and prolonged trade policy uncertainty*: the impact of ratcheting up a trade war. World GDP would be negatively affected, though the magnitude of the effect would vary across countries. Those directly targeted by new tariffs would be most affected, notably China and the United States, but also a large set of countries in Asia and Europe in the medium term. Some countries may harness the opportunity to consolidate their trade networks, reconfigure their position in global value chains, and, hence, experience positive effects, especially if traded goods embed a rising share of domestic value added. However, adverse effects could accumulate over time. Their magnitude would depend on how quickly countries can boost domestic consumption, reroute trade flows, and increase productivity and competitiveness, as well as on the reach and intensity of the countermeasures, including non-tariff measures. The emergence of new trading clusters is likely to fragment FDI flows and weigh on capital accumulation.
6. Rising geopolitical tensions could open up the possibility of sudden changes in the international monetary system, with potential implications for macrofinancial stability. A reversal of global economic integration might also trigger suboptimal relocation of production units and technological decoupling, with negative growth effects in the longer term because of resource misallocation, loss of knowledge hubs, contraction in bank credit, and financial stability risks.
7. A trade war could also fuel inflationary pressures, primarily through rising import prices. Although the simulations indicate rather moderate effects, several factors could lead to higher inflationary pressures in some countries. First, with more than 80 percent of trade invoicing in US dollars, additional pressure may arise if the US dollar appreciates, as observed during previous episodes of trade uncertainty and financial market volatility. Second, inflation expectations are currently higher than central bank targets and, in some cases, on the rise. Third, restrictions on commodities may lead to significant price shifts, particularly since price elasticities of critical minerals and highly traded agricultural goods are especially vulnerable to trade fragmentation because of their concentrated production, difficulties in substitution, and essential roles in manufacturing and key technologies. Price increases are also likely to have negative distributional effects across and within countries. Tariffs on agricultural commodities could raise food security concerns, particularly in low-income countries. Tariffs tend to raise prices of tradables, on which poor households spend relatively more, and may increase returns to capital over labor, benefiting the wealthy. Welfare losses are typically concentrated among the poor and the retired, even when tariff revenues offset distortionary taxes. Beyond the risk of additional trade barriers, prolonged uncertainty regarding trade policies poses other risks to investment and growth. In just the first quarter of 2025, the number of new restrictive measures announced increased by 16 percent relative to that in December 2024, with actions ratcheting from April 2 onward. Firms' concerns about fragmentation spiked along with the escalation in the use of restrictive measures. If uncertainty remains high for long, firms may delay investment projects, with a consequent reduction in global investment. Indeed, empirically, trade uncertainty is estimated to have reduced US investment by approximately 1.5 percent in 2018. Moreover, uncertainty diminishes demand by undermining confidence and erodes consumer income in the medium term by curtailing investment and stifling trade. Previous episodes of heightened trade policy uncertainty led to persistent appreciation of the US dollar, harming exports from the United States and dollarized countries and generating negative spillovers to emerging market and developing economies. If, in the current episode, a US dollar appreciation was to materialize, inflation pressures could be sizable where country-specific circumstances amplify the amount of pass-through from currency depreciation, especially in periods of high uncertainty and already-elevated inflation levels. However, the policy-uncertainty-driven surge in risk aversion and the decline in US growth prospects might lead to a depreciation of the US dollar. A disorderly and large depreciation of the US dollar could bring additional financial market volatility.

MANAGEMENT DISCUSSION AND ANALYSIS

USA Market

1. Growth in the United States is expected to slow to 1.8 percent, a pace that is 0.9 percentage point lower relative to the projection in the January 2025 WEO Update, on account of greater policy uncertainty, trade tensions, and softer demand momentum.
2. The US economy was operating above its potential in 2024, relying heavily on strong domestic demand. Private consumption grew at an annual rate of 2.8 percent in 2024, in excess of its 2.4 percent historical (2000–19) average. However, in 2025, signs of a potential reversal have emerged. Consumer spending declined by 0.6 percent in January and remained subdued in February after expanding by 0.6 percent in December 2024, with the decrease likely reflecting a normalization of private consumption toward more sustainable levels and the negative impact of recurring policy shifts on economic sentiment. This signals a deterioration of the cyclical position of the US economy.
3. Growth is projected to decrease in 2025 to 1.8 percent, 1 percentage point lower than the rate for 2024 as well as 0.9 percentage point lower than the forecast rate in the January 2025 WEO Update. The downward revision is a result of greater policy uncertainty, trade tensions, and a softer demand outlook, given slower-than-anticipated consumption growth. Tariffs are also expected to weigh on growth in 2026, which is projected at 1.7 percent amid moderate private consumption.

EURO Market

1. Growth in the euro area at 0.8 percent is expected to slow by 0.2 percentage point.
2. The euro area has been in a cyclical rebound, but domestic demand has been subdued and, with the exception of Germany, the contribution of consumption growth may have peaked in its largest economies. Weak consumer sentiment and elevated uncertainty have raised precautionary saving while weighing down consumption growth (October 2024 Regional Economic Outlook: Europe). Manufacturing activity has remained weak on the back of persistently higher energy prices, while services have been the main growth driver, contributing to divergence among European countries, particularly those relying more heavily on these sectors, notably Germany versus Spain.
3. Growth in the euro area is expected to decline slightly to 0.8 percent in 2025, before picking up modestly to 1.2 percent in 2026. Rising uncertainty and tariffs are key drivers of the subdued growth in 2025. Offsetting forces that support the modest pickup in 2026 include stronger consumption on the back of rising real wages and a projected fiscal easing in Germany following major changes to its fiscal rule (the “debt brake”).

China Market

1. Growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures.
2. Prolonged weakness in the real estate sector and its ramifications, including those for local government finances, have been key. When the pandemic seized the Chinese economy, signs of downturn in the credit-fueled property market were gathering. This homegrown vulnerability has depressed domestic demand, even as policymakers have searched for measures to tackle property market oversupply and bolster confidence. Indeed, consumer confidence in China, after a decade of moving closely with that in the rest of the world, plunged in early 2022 and has not recovered. Rising trade tensions and new tariffs over the past years have also disproportionately affected the Chinese economy. The rebalancing of growth drivers from investment and net exports toward consumption has paused amid continuing deflationary pressures and high household saving. Construction and real estate activity remains subdued, whereas industry, trade, and transport have been robust.

MANAGEMENT DISCUSSION AND ANALYSIS

3. The structural-fiscal-balance-to-GDP ratio is expected to deteriorate by 1.2 percentage points in 2025. Public debt in emerging market and developing economies continues to rise from its current level of 70 percent of GDP, reaching a projected 83 percent in 2030.

Besides the World Economic Outlook Report on the China Market in April 2025 by the International Monetary Fund, according to the “China Economic Monitor 2025 Q1”, by the KPMG in February 2025:

1. China’s real GDP growth rate reached 5% in 2024, which is below the 5.2% in 2023 but meets Beijing’s “around 5.0%” growth target.
2. GDP grew 5.4% in Q4 2024, 0.8 percentage points higher than that of Q3 2024, beating the market’s expectations and making a decisive contribution to the successful achievement of annual growth target. The policy stimuli introduced last September led to a rebound of consumption and investment in Q4. Meanwhile, China’s exports stayed strong due to the front-loading of exports ahead of US president Trump’s inauguration. As the trade-in programme is being expanded and front-loading is ongoing, some related indicators may still perform well in Q1 2025.
3. With the issuance of ultra-long special treasury bonds to support the implementation of trade-in policies for consumer goods in Q4, consumption picked up momentum, growing from 2.7% in Q3 to 3.8%. In 2024, trade-in policies collectively boosted related goods sales by more than RMB1.3 trillion, raising the total retail sales growth rate by 1 percentage point. Fiscal funds leveraged consumption with a multiplier effect of around 2.1 times.
4. The manufacturing investment growth rate increased slightly to 9.2% in Q4 from 8.8% in Q3, driven by both domestic and external demand recovery. Sectors with strong export demand boosted investment growth by 1.9 percentage points. Meanwhile, sectors driven by consumer demand jointly lifted manufacturing investment growth by 2.5 percentage points.
5. Excluding the disruption of power investment, infrastructure investment grew 5.1%, up by 3.2 percentage points from Q3. This was supported by above-seasonal growth in fiscal spending in Q4. The growth rate of road and municipal investments rebounded with rapid deployment of fiscal funds.
6. Real estate investment growth rate declined by 12.4% in Q4 2024. High inventory pressure still prompted enterprises to stay cautious on investment despite an obvious improvement in sales. On the brighter side, house prices showed marginal stabilization in Q4 and played a key role in domestic demand recovery.
7. In the coming period, China’s economy still faces major challenges. Indeed, the GDP deflator has remained negative for seven straight quarters, indicating insufficient domestic demand recovery. As President Trump took office, persistent geopolitical tensions and the rise of trade protectionism also bring the significant uncertainty to Chinese exports.
8. In response to economic headwinds, the Chinese government is preparing new stimulus measures. In early February 2025, Premier Li Qiang proposed to “dare to break conventions and introduce tangible and perceptible policy measures”. We anticipate that the upcoming national Two Sessions will probably set an economic growth target of around 5%, while the intensity of macro policies should reach unprecedented levels.
9. China’s economic and trade cooperation with Belt and Road economies is strengthening, with the share of imports and exports to these economies exceeding 50% in 2024 for the first time. In 2024, China’s exports to GCC, central Asia and Africa increased by 16.9%, 4.5% and 3.5% year-on-year respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

10. China's export commodity structure has been further optimized, with more high-tech products accelerating their overseas expansion. The growth rate of high-tech product exports rose to 4.8% in 2024, representing 20.9% of total exports.
11. With the booming development of the global artificial intelligence industry and the continuous recovery of the consumer electronics market, integrated circuits, automatic data processing equipment, and household appliances had a strong driving effect on exports in 2024.

Economic outlook for China in 2025

1. Driven by the anticipation of the "Trump 2.0" policy, the US Dollar Index rebounded strongly to 108.48 in Q4, putting pressure on the RMB exchange rate. The RMB depreciated by more than 4% against the USD in Q4.
2. Looking ahead, the RMB exchange rate is expected to maintain bidirectional fluctuations with a slight downward trend. External uncertainties will further intensify, including the Federal Reserve's policies, US tariffs on China, geopolitical risks.
3. However, China's more proactive counter-cyclical macro-control policies could further consolidate the positive momentum of economic recovery, providing a solid foundation for the stability of the RMB exchange rate.

Economic outlook for Hong Kong in 2025

1. With the recovery of visitor numbers, exports, and capital investment, Hong Kong SAR's GDP grew moderately by 2.5% year-on-year in 2024. In Q4, the growth rate of GDP reached 2.4% year-on-year, up 0.5% from Q3.
2. Looking ahead, Hong Kong's economy may face external challenges due to U.S. trade protectionism and high global interest rates.
3. However, with the support of Chinese mainland economic improvement and the central government's pro-Hong Kong measures, combined with a series of initiatives taken by the SAR government to promote economic growth, Hong Kong's economy is expected to grow steadily in 2025.

Industry Trend Report

According to the Statista.com Spirit HK Reports, which provided statistical data for the year of 2025.

1. Revenue, at home (e.g., revenue generated in supermarkets and convenience stores) in the Spirits market amounts to US\$344.8 million in 2025.
2. Revenue, out-of-home (e.g., revenue generated in restaurants and bars) amounts to US\$199.5 million in 2025.
3. Revenue, combined amounts to US\$544.3 million in 2025.
4. The revenue, at home is expected to grow annually by 1.62% (Compound Annual Growth Rate, CAGR 2025–2029).
5. In global comparison, most revenue, at home is generated in China (US\$151 billion in 2025).

MANAGEMENT DISCUSSION AND ANALYSIS

The Spirits market in Hong Kong continues to experience steady growth, driven by changing consumer preferences and local special circumstances. The Analyst of the Statista.com had the opinion at:

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, spirit revenue in Hong Kong is expected to reach US\$544.3 million in 2025. The performance of wine industry is expected to return to its pre pandemic levels in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Company's tactics

As an open economy, Hong Kong is particularly vulnerable to the impact of the global situation, especially currently affected by war, inflation, oil price, high interest rate, it will be facing a challenging external environment in 2025 and 2026. 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 only its second such 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 know-how. 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 on-line 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.

RIGHTS ISSUE

On 14 December 2023, the Board put forward a proposal to the shareholders to effect the consolidation of every ten (10) issued and unissued Shares of HK\$0.00125 each into one (1) Share of HK\$0.0125.

The Share Consolidation has become effective and the Consolidated Shares rank pari passu in all respects with each other in accordance with the Company's articles of association.

The Board also put forward to offer for subscription of the Consolidated Shares to be allotted and issued on the basis of two (2) Rights Shares for every three (3) Consolidated Shares at the subscription price of HK\$0.136 per Rights Share, to raise gross proceeds of approximately HK\$30.2 million before expenses, by way of the Rights Issue of up to 221,733,332 Rights Share.

MANAGEMENT DISCUSSION AND ANALYSIS

On 14 December 2023, the Company and the Placing Agent, Lego Securities Limited, entered into the Placing Agreement, pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, placees to subscribe for the number of unsubscribed Rights Share(s) not taken up by the shareholders whose name(s) appeared on the register of members of the Company on the Record Date other than the overseas shareholders whom the Board considered necessary or expedient to exclude ("NQS") from the Rights Issue ("Unsold Shares") and/or the NQS Unsold Share(s) during the Rights Issue) on the terms and subject to the conditions set out in the Placing Agreement. If all the Rights Shares are already fully taken up in the Rights Issue through the provisional allotment letter(s), the Placing will not proceed.

Pursuant to an extraordinary general meeting on 31 January 2024, the proposed Share Consolidation and the Rights Issue have been duly passed by the shareholders by way of poll. The proposed Share Consolidation has taken effect on 31 January 2024.

On 29 February 2024, the Company announced that a total of six valid applications and acceptance under the provisional allotment letter had been received for a total of 86,284,083 Rights Shares, representing approximately 38.9% of the total number of Rights Shares offered under the Rights Issue.

On 11 March 2024, the Company announced that none of the unsubscribed Rights Shares were successfully placed as at 4:00 p.m. on 5 March 2024. Accordingly, no Net Gain was realised and available to be distributed to the No Action Shareholders under the Unsubscribed Arrangements. As a result, a total of 135,449,249 Unsubscribed Shares not successfully placed out, have been taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

For details, please refer to the announcements of the Company dated 14 December 2023, 3 January 2024, 17 January 2024, 24 January 2024, 29 January 2024, 29 February 2024 and 11 March 2024 respectively, and the prospectus of the Company regarding the Rights Issue dated 14 February 2024 (Collectively, the "Announcements and Prospectus"). Unless otherwise defined herein, capitalised terms used in this annual report shall have the same meanings as those defined in the Announcements and Prospectus.

USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 March 2024, the net proceeds of approximately HK\$29.0 million from the 2024 Rights Issue was intended to be used as follows:

- (i) approximately HK\$17.5 million for the investment in setting up new retail shop and working capital in procurement of stock, renovation, rental and staff cost in the PRC;
- (ii) approximately HK\$10.0 million for procurement of stock for the Hong Kong business; and
- (iii) approximately HK\$1.8 million for improvement of the on-line shop and IT infrastructure of the Group.

The Company, having considered the sluggish retail market of alcohol and premium wine in the PRC in 2024, decided that it was not the right time for investing into the PRC retail market. The Company also considered the prevailing Hong Kong market conditions and the needs of working capital of the Group, and resolved to use the proceeds from the 2024 Rights Issue in the following manner:

- (i) approximately HK\$11.0 million for the procurement of stock for the PRC business;
- (ii) approximately HK\$16.0 million for procurement of stock for the Hong Kong business; and
- (iii) approximately HK\$2.0 million for improvement of the online shop and IT infrastructure of the Group, and as general working capital of the Group.

As at 31 March 2025, the net proceeds from the 2024 Rights Issue were fully utilised as aforementioned.

REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 17 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW AND PERFORMANCE

The review of the business of the Group for the year ended 31 March 2025 and the potential future development of the Group's business and the performance analysis using financial key performance indicators are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Report of the Directors", "Consolidated Financial Statements" and "Financial Summary" on pages 3 to 4, pages 5 to 16, pages 17 to 25, pages 77 to 119 and page 120 respectively. Description of the principal risks and uncertainties faced by the Group can be found throughout this annual report.

PARTICULARS OF IMPORTANT EVENTS

Save as disclosed in this annual report, since 31 March 2025, being the end of the financial year under review, no important event has occurred affecting the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong that have a significant impact on the Group during the year ended 31 March 2025.

ENVIRONMENTAL POLICY

The Group emphasizes the importance of energy conservation and environmental protection as part of its corporate culture and encourages its employees to minimize the use of paper by promoting digitalization of documents and better use of waste paper.

REPORT OF THE DIRECTORS

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognizes employees as valuable assets of the Group. In order to motivate the employees, the Group provides reasonable remuneration package, implements annual appraisal system, provides intra-group career development opportunities, offers employee benefits, insurance, education and training sponsorship.

The Group treasures the long-term relationships developed with its customers and suppliers. The Group puts emphasis on efficient communication, response and feedback actions, which are crucial to build relationship with business partners. During the year ended 31 March 2025, there was no material dispute or argument between the Group and its business partners.

The Company has made substantial efforts to fulfill its corporate social responsibilities, by promoting sustainable growth within the Group and in the society. The Group is committed to providing a safe, healthy and enriching working environment for its employees. The Group hosted various after-work activities or sporting events for its employees during the year ended 31 March 2025 to promote work-life balance. The Group has attached importance to the promotion of anti-corruption and integrity promotion system. The Group emphasizes a code of conduct which forms part of the staff working manual. Employees are required to act with integrity and to report any suspected bribery cases. Whistle-blowing procedures are in place which allows direct reporting to the Audit Committee. In addition, employees are required to declare any conflict of interests when performing their duty.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 77.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 26 to the consolidated financial statements.

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 2025.

REPORT OF THE DIRECTORS

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association ("Articles") or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 31 March 2025. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Act as consolidated and revised) of the Cayman Islands ("Companies Act"), amounted to approximately HK\$96.2 million. The amount represents the Company's share premium, net of accumulated losses, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

Details of the Group's transactions with its major suppliers and customers during the year are set out as below:

During the year ended 31 March 2025, our largest supplier accounted for approximately 16.5% of our total purchases (2024: 21.3%). The aggregate purchases from our five largest suppliers contributed approximately 48.5% of our total purchases in the current year (2024: 56.4%).

During the year ended 31 March 2025, our largest customer accounted for approximately 31.5% of turnover (2024: 13.3%). The aggregate sales to our five largest customers contributed approximately 55.3% of our total sales in the current year (2024: 29.8%).

At no time during the year ended 31 March 2025 did a director, a close associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Director

Mr. Cheung Chun To (*Chairman*)

Independent non-executive Directors

Mr. Yue Kwai Wa Ken

Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)

Mr. Siu Shing Tak

Ms. Li Bo (*appointed on 1st May 2024*)

Pursuant to Article 84 of the Articles, at each general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring director shall be eligible for re-election.

Pursuant to the Articles, Mr. Cheung Chun To and Mr. Yue Kwai Wa Ken shall retire from office as Directors at the forthcoming annual general meeting ("AGM") and, being eligible, offer themselves for re-election.

Biographical information of the Directors and the senior management of the Group are set out on pages 70 to 71.

DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and will continue thereafter until terminated by either party giving at least three months' notice in writing or otherwise in accordance with the terms of the agreement.

Independent non-executive Directors are appointed for a term of one year and will continue thereafter unless terminated by either party giving at least one month's notice in writing.

Save as disclosed above, no Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

REPORT OF THE DIRECTORS

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 2025 or at any time during that year.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between the Company, or any of its subsidiaries, and any of the controlling shareholders or any of their subsidiaries during the year ended 31 March 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

REMUNERATION OF THE DIRECTORS

Details of the remuneration of the Directors of the Company are set out in note 12 to the consolidated financial statements in this annual report.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remunerations of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market conditions, the responsibilities and duties assumed by each Director as well as their individual performance.

COMPLIANCE OF NON-COMPETITION UNDERTAKINGS

In order to protect the Group's interest in its business activities, each of the controlling shareholders of the Company has given a non-competition undertaking in favour of the Company, pursuant to which each of them undertakes and covenants with the Company that, for so long as he/it and/or his/its associates, directly or indirectly, whether individually or taken together, remains to be a controlling shareholder, he/it will not and will procure his/its associates not to directly or indirectly carry on, participate, engage or otherwise be interested in any business which is or may be in competition with the business of any members of the Group from time to time.

Details of the undertaking has been set out in the section headed "Relationship with Our Controlling Shareholders" of the prospectus of the Company dated 6 January 2014.

During the year ended 31 March 2025 and up to the date of this report, none of the Directors or any of their respective associates, has been engaged or otherwise interested in any business which is or may be in competition with the business of any members of the Group.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

Save as the share option scheme disclosed in section head “Management Discussion and Analysis”, during the year ended 31 March 2025, the Company has not entered into any equity-linked agreement (as defined in section 6 of the Companies (Directors’ Report) Regulation (Chapter 622D of the Laws of Hong Kong)).

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 31 March 2025, 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 (Chapter 571 of the Laws of Hong Kong) (“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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to 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)	298,092,515 shares	53.77%
Mr. Cheung Chun To	Interest of spouse (Note 1)	1,856,667 shares	0.33%

Note:

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 298,092,515 shares held by Silver Tycoon Limited. Ms. Lin Shuk Shuen. Being the spouse of Mr. Cheung Chun To, beneficially owns 1,856,667 shares in the Company. As a consequence, Mr. Cheung Chun To is deemed to be interested in 299,949,182 shares in the Company.

Save as disclosed above, as at 31 March 2025, 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 pursuant to the Model Code.

REPORT OF THE DIRECTORS

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

As at 31 March 2025, 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 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:

Name	Capacity/ Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Silver Tycoon Limited	Beneficial Owner (Note 1)	298,092,515 shares	53.77%
Ms. Lin Shuk Shuen	Interest of spouse and Beneficial Owner (Note 2)	299,949,182 shares	54.10%
Mr. Zheng Huanming	Beneficial Owner	48,000,000 shares	8.66%
Mr. Zhang Guangyuan	Beneficial Owner	47,714,040 shares	8.61%
Mr. Zhang Guozhong	Beneficial Owner	44,600,000 shares	8.05%

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 298,092,515 shares held by Silver Tycoon Limited.
2. 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), and together with the 1,856,667 shares beneficially owned by her.

Save as disclosed above, as at 31 March 2025, 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.

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 1st May 2024) and Ms. Li Bo (appointed on 1st 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 2025.

REPORT OF THE DIRECTORS

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.

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.

USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 March 2024, the net proceeds after relevant professional expenses, of approximately HK\$29.0 million from the 2024 Rights Issue was intended to be used as follows:

- (i) approximately HK\$17.5 million for the investment in setting up new retail shop and working capital in procurement of stock, renovation, rental and staff cost in the PRC;
- (ii) approximately HK\$10.0 million for procurement of stock for the Hong Kong business; and
- (iii) approximately HK\$1.8 million for improvement of the on-line shop and IT infrastructure of the Group.

REPORT OF THE DIRECTORS

The Company, having considered the sluggish retail market of alcohol and premium wine in the PRC in 2024, decided that it was not the right time for investing into the PRC retail market. The Company also considered the prevailing Hong Kong market conditions and the needs of working capital of the Group, and resolved to use the proceeds from the 2024 Rights Issue in the following manner:

- (i) approximately HK\$11.0 million for the procurement of stock for the PRC business;
- (ii) approximately HK\$16.0 million for procurement of stock for the Hong Kong business; and
- (iii) approximately HK\$2.0 million for improvement of the online shop and IT infrastructure of the Group, and as general working capital of the Group.

As at 31 March 2025, the net proceeds from the 2024 Rights Issue were fully utilised as aforementioned.

AUDITOR

Beijing Xinghua Caplegend CPA Limited was appointed as the auditor of the Company to fill the casual vacancy following the resignation of Zhonghui Anda CPA Limited, Beijing Xinghua Caplegend CPA Limited will hold office until the conclusion of the next annual general meeting of the Company held on 8 August 2025. Beijing Xinghua Caplegend CPA Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company. The consolidated financial statements for the year ended 31 March 2025 have been audited by Beijing Xinghua Caplegend CPA Limited.

The consolidated financial statements for each of the years ended 31 March 2024 and 2023 were audited by ZHONGHUI ANDA CPA Limited.

By Order of the Board
Cheung Chun To
Chairman
13 June 2025

CORPORATE GOVERNANCE REPORT

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") as set out in Appendix C1 to the Listing Rules for the year ended 31 March 2025. 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 reports that save as disclosed under the paragraph headed "Chairman and Chief Executive" in this Corporate Governance Report, the Company has complied with the code provisions of the CG Code for the year ended 31 March 2025. 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 Issuers (the "Model Code") as set out in Appendix C3 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 2025.

BOARD OF DIRECTORS

The Board comprises:

Executive Director

Mr. Cheung Chun To (*Chairman*)

Independent non-executive Directors

Mr. Yue Kwai Wa Ken

Mr. Ngai Hoi Ying (*resigned on 1st May 2024*)

Mr. Siu Shing Tak

Ms. Li Bo (*appointed on 1st May 2024*)

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, a total of 4 Board meetings were held. For all Board meetings, notice is given in a reasonable time in advance. The Directors are allowed to include any other matters in the agenda that are required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least three days before the intended date of each regular Board meeting and three days or such other period as agreed before each other Board meeting. All Directors should have access to the advice and services of the company secretary of the Company (the “Company Secretary”) with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings’ minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors’ inspection. According to the Listing Rules, any Directors and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings. The attendance record of each Director at the Board meetings is set out in the table below:

Name of Director	Number of meetings attended	
	Board Meetings	General Meetings
Mr. Cheung Chun To	4/4	1/1
Mr. Yue Kwai Wa Ken	4/4	1/1
Mr. Ngai Hoi Ying (<i>resigned on 1st May 2024</i>)	1/4	0/1
Mr. Siu Shing Tak	4/4	1/1
Ms. Li Bo (<i>appointed on 1st May 2024</i>)	3/4	1/1

RESPONSIBILITIES OF THE BOARD

The Board is responsible for overseeing and supervising the management of the business affairs and overall performance of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board focuses on formulating the Group’s overall strategies, authorizing the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management’s performance of the Group; and setting the Group’s values and standards. The Board delegates the day-to-day management, administration and operation of the Group to the management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring training and continuous professional development of the Directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, reviewing and monitoring the Company's risk management policies and standards, internal control system and the environmental, social and governance ("ESG") policies and guidelines and the compliance thereof, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors of the members of the Group, monitoring each of the Company's audit committee, the remuneration committee and the nomination committee (or such other Board committee from time to time established) to ensure that each has duly discharged their respective duties and obligations in accordance with their respective terms of reference, the Listing Rules and any applicable laws and regulations, and reviewing the Company's compliance with the CG Code (Appendix C1 to the Listing Rules) and the ESG Reporting Guide (Appendix C2 to the Listing Rules) and disclosure in the Company's Corporate Governance Report and the ESG Report as required under the Listing Rules. The Board held meetings from time to time whenever necessary. At least 14 days notices of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least three days before the date of every Board meeting in order to allow sufficient time for the directors to review the documents. Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

MECHANISMS TO ENSURE INDEPENDENT VIEWS IN THE BOARD

The Board has established mechanisms to ensure independent views are available to the Board in the Company's Director nomination policy and board diversity policy. The respective policies are available on the Company's website and a summary of the mechanism is set out below:

Composition

The Board shall ensure the appointment of at least three independent non-executive Directors ("INED(s)") and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time).

Independence Assessment

The Nomination Committee shall adhere to the Director nomination policy with regard to the nomination and appointment of INEDs. The INED candidate must satisfy the independence requirements under Rule 3.13 of the Listing Rules. Each INED is also required to inform the Company as soon as practicable if there is any change in his or her own personal particulars that may materially affect his or her independence and provide an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

Channel for Communication

The Company is committed to ensuring that the INEDs will be given the opportunity and channel for Directors to communicate and express their independent views and inputs to the Board and its committees. The Company has established channels through formal and informal means whereby INEDs can express their views in an open, candid as well as confidential manner, should circumstances require, these include meetings with the Chairman of the Company without the presence of the other Directors to discuss major issues and any concerns, and dedicated meeting sessions with the Chairman of the Company and interaction with management and other Board members including the Chairman of the Company outside the boardroom.

CHAIRMAN AND CHIEF EXECUTIVE

Mr. Cheung Chun To ("Mr. Cheung") is the Chairman of the Board who is primarily responsible for managing the Board. Mr. Cheung also chairs the Board meetings and briefs the Board members on the issue arising at the Board meetings. During the year, Mr. Cheung Chun To being Chairman, executive director, and chief executive officer ("CEO") of the Company, was primarily responsible for the day-to-day management of the Group's business.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheung being the Chairman and CEO of the Company, nevertheless, the Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high-caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

The chairman of the Board held meetings at least annually with the non-executive Directors (including independent non-executive Directors) without other executive Directors present.

During the year ended 31 March 2025, all Directors attended the general meetings.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "Articles") provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and each of the independent non-executive Directors has provided an annual confirmation of his independency to the Company pursuant to Rule 3.13 of the Listing Rules and the Company considers these independent non-executive Directors to be independent.

Pursuant to the Articles, Mr. Yue Kwai Wa Ken, Mr. Cheung Chun To will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

CORPORATE GOVERNANCE REPORT

Mr. Yue Kwai Wa Ken has been appointed as independent non-executive Director for more than eleven years. The Company has received confirmation of independence from Mr. Yue according to Rule 3.13 of the Listing Rules. Mr. Yue has not engaged in any executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Directors consider Mr. Yue to be independent under the Listing Rules despite the fact that he has served the Company for more than eleven years. Mr. Yue has confirmed that he will continue to devote sufficient time for the discharge of his functions and responsibilities as an independent non-executive Director. With his background and experience, Mr. Yue is fully aware of the responsibilities and expected time involvements in the Company. Based on the foregoing, the Board believes that the position of Mr. Yue outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company. The Board also believes that the continued tenure of Mr. Yue brings considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Yue who has over time gained valuable insight into the Group.

Based on the abovementioned and in accordance with code provision B.2.3 of the CG Code, the re-election of Mr. Yue Kwai Wa Ken will be subject to a separate resolution to be approved by the Shareholders at the forthcoming annual general meeting for the year ended 31 March 2025.

Pursuant to the Articles, Mr. Yue Kwai Wa Ken, who was appointed on 30 December 2013, will hold office until the next annual general meeting of the Company. Mr. Cheung Chun To shall then retire at the Company's forthcoming annual general meeting and, being eligible, will offer himself for re-election.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 March 2025, all Directors confirmed that they have complied with such requirement.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the trainings received by each of the Directors during the year are summarised as follows:

Name of Directors	Type of trainings
Mr. Cheung Chun To	A, B
Mr. Yue Kwai Wa Ken	A, B
Mr. Ngai Hoi Ying (<i>resigned on 1st May 2024</i>)	B
Mr. Siu Shing Tak	A, B
Ms. Li Bo (<i>appointed on 1st May 2024</i>)	A, B

- A. attending seminars/conference forums/training courses
- B. reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

AUDIT COMMITTEE

The major roles and functions of the audit committee of the Company (the "Audit Committee") are to review and supervise the financial reporting process, financial controls, internal control and risk management system of the Company and to provide recommendations and advices to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment.

The Group is committed to upholding high standards of business integrity, honesty, transparency and accountability in all its business dealings. The Group strictly prohibits any form of fraud or bribery, and is committed to the prevention, deterrence, detection and investigation of all forms of fraud and bribery. The Company adopted an anti-corruption and whistle-blowing policy in order to set out the minimum standards of conduct which all directors, officers and employees of the Group (collectively "Employees") are required to adhere to in order to ensure fairness and honesty in business dealings and to prevent fraud and bribery. Further, an important aspect of accountability and transparency is a whistle-blowing mechanism for Employees and stakeholders of the Group to voice out any concern on improprieties or suspected improprieties in a responsible and effective manner. Our Employees or other stakeholders (e.g. suppliers and customers) of the Company may raise concerns, in confidence, with the Audit Committee about possible malpractice or improprieties in any matter related to the Group.

A summary of the anti-corruption and whistle-blowing policy is set out below.

Anti-Corruption Policy

All Employees are required to adhere to the anti-corruption policy. The Group believes in fairness and honesty in business dealings. Without the prior consent of the Audit Committee, no Employee and/or their family member(s) should accept from any person, firm, company or organization which has dealings with the Group, either directly or indirectly any improper payments, rebate and other forms of bribery, facilitation payments as well as gifts and hospitality. Employees should exercise good judgment and report to the Audit Committee and/or the Board any actual or suspected breaches of this policy.

Whistle-Blowing Policy

The whistle-blowing policy applies to any suspected improprieties involving Employees as well as consultants, vendors, contractors, suppliers, customers, and/or any other parties with a business relationship with the Group, and the whistle-blowing mechanism is designed to enable Employees and third parties dealing with the Group to express their concerns and to disclose information which the whistle-blower believes to be an indicator of malpractice or impropriety. If an Employee or a third party dealing with the Group becomes aware of any actual or suspected fraud, malpractice, misconduct, impropriety or irregularity, he/she is encouraged to report such incident(s) directly to any member of the Audit Committee, who will investigate the case and determine an appropriate course of action in response (including but not limited to referring the case to the Board and/or the management of the Company).

The anti-corruption and whistle-blowing policy is available on the Company's website. Questions in relation to this policy should be directed to the Audit Committee and/or the Board.

CORPORATE GOVERNANCE REPORT

The Audit Committee was established on 30 December 2013 currently comprising of three independent non-executive Directors, namely Mr. Siu Shing Tak, Mr. Yue Kwai Wa Ken, Mr. Ngai Hoi Ying (resigned on 1st May 2024) and Ms. Li Bo (appointed on 1st May 2024). Mr. Siu Shing Tak is the Chairman of the Audit Committee. No member of the Audit Committee is a member of the former or existing auditor of the Company. The terms of reference of the Audit Committee are available at the Company's website and on the website of the Stock Exchange.

During the year ended 31 March 2025, three Audit Committee meetings were held. In the meetings during the year ended 31 March 2025, the Audit Committee has reviewed the consolidated audited annual results of the Group and the unaudited condensed consolidated interim results of the Group and reviewed the internal control system of the Group. The attendance record of each member of the Audit Committee for the meetings is set out as follows:

Name of members of the Audit Committee	Number of meetings attended
Mr. Siu Shing Tak (<i>Chairman</i>)	3/3
Mr. Yue Kwai Wa Ken	3/3
Mr. Ngai Hoi Ying (<i>resigned on 1st May 2024</i>)	0/3
Ms. Li Bo (<i>appointed on 1st May 2024</i>)	3/3

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 30 December 2013 comprising three independent non-executive Directors, namely Mr. Yue Kwai Wa Ken, Mr. Siu Shing Tak, Mr. Ngai Hoi Ying (resigned on 1st May 2024) and Ms. Li Bo (appointed on 1st May 2024). Mr. Yue Kwai Wa Ken is the Chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company's website and on the website of the Stock Exchange. The roles and functions of the Remuneration Committee include consulting the chairman of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company's remuneration policy and structure for all Directors and senior management and the Remuneration Committee has adopted the approach under E.1.2(c)(ii) of the code provisions to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The key principles of the remuneration policy for Directors and senior management of the Company are as follows:

Remuneration of executive Directors and senior management

- Remuneration packages and structure shall reflect a fair reward system for all executive Directors and senior management with an emphasis on performance.
- Remuneration, comprising fixed and variable components, of executive Directors and senior management is determined with reference to various factors such as market terms and conditions, economic situation, time commitment, employment conditions elsewhere in the Group, performance, qualification, experience, and responsibilities assumed by executive Director and senior management. A significant proportion of executive Directors' remuneration shall link rewards to corporate and individual performance.

CORPORATE GOVERNANCE REPORT

- Remuneration shall be set at levels that ensure comparability and competitiveness with Hong Kong based companies competing for a similar talent pool, with special emphasis in the wine industry. Independent professional advice is to be sought where appropriate and necessary.
- Equity-based remuneration (e.g. share options or grants) with performance-related elements may be granted to executive Directors and senior management in order to align their interests with those of the Shareholders.

Remuneration of non-executive Directors (including INEDs)

- Remuneration, in the form of annual Director's fees, of non-executive Directors shall be set at an appropriate level to attract and retain first-class non-executive talent.
- Remuneration practice shall be consistent with recognised best practice standards for non-executive Directors' remuneration.
- Remuneration of non-executive Directors (subject to Shareholders' approval) shall be set by the Board (with recommendations from the Remuneration Committee). To ensure that non-executive Directors are appropriately remunerated for their time and responsibilities devoted to the Company, the Remuneration Committee undertakes periodic reviews and takes into account factors including fees paid by comparable companies, time commitment, employment conditions elsewhere in the Group and individual responsibilities.
- Equity-based remuneration (e.g. share options or grants) with performance-related elements may be granted to non-executive Directors who are not INEDs. INEDs shall not receive equity-based remuneration (e.g. share options or grants) with performance-related elements from the Company.

The emolument payable to Directors depends on their respective contractual terms under the service contracts and the appointment letters as recommended by the Remuneration Committee. Details of the Directors' emolument are set out in note 12 to the consolidated financial statements.

During the year ended 31 March 2025, the Remuneration Committee held one meeting and the Remuneration Committee has performed its duties to determine and make recommendations to the Board on the remuneration package of the Board members and senior management of the Company. The attendance record of each member of the Remuneration Committee for the meetings is set out as follows:

Name of members of the Remuneration Committee	Number of meetings attended
Mr. Yue Kwai Wa Ken (<i>Chairman</i>)	1/1
Mr. Siu Shing Tak	1/1
Mr. Ngai Hoi Ying (<i>resigned on 1st May 2024</i>)	0/1
Ms. Li Bo (<i>appointed on 1st May 2024</i>)	1/1

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 30 December 2013 comprising of three independent non-executive Directors, namely Mr. Ngai Hoi Ying (resigned on 1st May 2024), Ms. Li Bo (appointed on 1st May 2024), Mr. Yue Kwai Wa Ken and Mr. Siu Shing Tak. Mr. Ngai Hoi Ying (resigned on 1st May 2024) and Ms. Li Bo (appointed on 1st May 2024) is currently the Chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company’s website and on the website of The Stock Exchange.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board, making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executives. In considering the nomination of new Directors, the Board has adopted a director nomination policy, a summary of which is set out below.

The Company recognizes the importance of having a qualified and competent Board to achieve the Group’s corporate strategy as well as to promote shareholder value. The Company believes that a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives appropriate to the requirements of the Company’s business enhances decision-making capability and the overall effectiveness of the Board. The Board is committed to ensuring that Directors devote sufficient time and contributions to the Company that are commensurate with their role and Board responsibilities, and ensuring that proper, considered and transparent nomination and election processes are in place for the selection and nomination of Directors.

In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, and diversity of perspectives.

The Nomination Committee shall also consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board including:

- (i) Attributes complementary to the Board, having regard to the current structure, size, diversity profile, skills matrix and the needs of the Board and its respective Board committees as well as succession planning;
- (ii) Business experience and board expertise and skills in order to exercise sound business judgment and proven achievement and experience in directorship including effective oversight of and guidance to management;
- (iii) Sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities. For an INED candidate who will be holding his or her seventh (or more) listed company directorship, the candidate should be able to devote sufficient time to the Board;
- (iv) Being self-motivated and having a strong interest in the Company’s businesses;
- (v) Being a person of integrity, honesty, good repute and high professional standing; and
- (vi) Satisfying the independence requirements under Rule 3.13 of the Listing Rules regarding INED candidate. The INED candidate shall be independent in character and judgement and be able to represent and act in the best interests of all Shareholders. The Board shall ensure the appointment of at least three INEDs and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time).

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The nomination procedures for the appointment of new and replacement Directors are as follows. If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable Director candidates, including referral from Directors, Shareholders, management, advisors of the Company, external executive search firms, and any other means or channels that it deems appropriate. Upon compilation and interview of the list of potential candidates, the Nomination Committee will shortlist candidates and make recommendations based on the selection criteria and such other factors that it considers appropriate for consideration and approval by the Board. The Board has the final authority on determining suitable Director candidate for appointment.

Where a retiring Director, being eligible, offers himself or herself for re-election, the Nomination Committee shall review the overall contribution to the Company of the retiring Director as well as the selection criteria set out in the director nomination policy and, if consider appropriate, make recommendations to the Board for its consideration and recommendation, for such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to the Shareholders prior to a general meeting in accordance with the Listing Rules.

For a Shareholder who wishes to nominate a person to stand for election as a Director at a general meeting, the procedures under the paragraph headed "Right to Put Forward Proposals at General Meetings" in this Corporate Governance Report shall be followed.

For an INED who has served more than nine years, the recommendation for the re-appointment of such INED by the Nomination Committee to the Board for such INED to stand for re-election at a general meeting shall state why the Nomination Committee believes he or she is still independent and should be re-elected, including the factors considered, the process and the discussion of the Nomination Committee in arriving at such determination.

The Board has revised its board diversity policy which sets out the approach to achieve diversity on the Board in order to reflect the mechanisms to ensure independent views and input are available to the Board. The latest version of the board diversity policy is available on the Company's website. The Company considered diversity of board members can be achieved through a number of aspects, including but not limited to gender, age, language, cultural and educational background, ethnicity, industry and professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The board diversity policy sets out a clear objective and provides that the Company should endeavour to ensure that members of the Board have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy in order for the Board to be effective. The current Board is a well mix of knowledge and experience as our Directors have backgrounds in the wine industry, accounting and investment. The Company is conscious of maintaining a Board made up with INEDs as the majority, together with an appropriate level of female members on the Board, and the Company achieves gender diversity with 25% of the Board comprising female member(s) in May 2024. While conscious efforts are being taken by the Company to fulfil its pledges, all appointments are ultimately made on a merit basis taking into account available and suitable candidates.

The Nomination Committee will review the implementation of the board diversity policy at least annually and make recommendation on any proposed changes to the Board for the Board's review and approval to ensure its continued appropriateness and effectiveness.

CORPORATE GOVERNANCE REPORT

Set out below is an analysis of the composition of our Board by gender, designation, age group, length of service, external directorship and independence. Please also refer to the paragraph headed “B. Social – B1. Employment” in the Environmental, Social and Governance Report for an analysis of the gender and age group ratio in our workforce.

Gender	Male (3)		Female (1)				
Designation	Executive Director (1)		Independent Non-executive Directors (3)				
Age group	35-39 (0)	40-44 (2)	45-49 (1)	50-54 (0)	55-59 (1)	60-64 (0)	65-69 (0)
Length of service as							
Board member (Years)	0-3 (1)	4-7 (1)	8-11 (2)				
External directorships							
(Number of listed companies)	0 (3)	1-2 (1)					
Independence	3 Independent Non-executive Directors						

The Board will continue to use its best endeavours to appoint female Director(s) to the Board (keeping in mind the importance of management continuity and the timeline for retirement and re-election of Directors under the Articles) and the Nomination Committee will seek to identify and recommend suitable female candidates to the Board for its consideration on nomination of a Director, especially those who are well connected and have experience in multiple commercial fields, those who are reputable in the premium wine industry, and those with creative and innovative mindset to explore opportunities in the premium wine market and promote premium wine products. The Company will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that the Company will have a pipeline of female management and potential successors to the Board in due time to ensure gender diversity of the Board. The Group will continue to emphasize training of female talent and provide long-term development opportunities for female staff in the premium wine industry.

During the year ended 31 March 2025, the Nomination Committee held one meeting and the Nomination Committee has performed its duties to determine and make recommendation to the reappointment of the Directors and review the independence of the independent non-executive Directors. The attendance record of each member of the Nomination Committee for the meeting is set out as follows:

Name of members of the Nomination Committee	Meeting attended
Mr. Ngai Hoi Ying (<i>Chairman</i>) (<i>resigned on 1st May 2024</i>)	0/1
Ms. Li Bo (<i>appointed on 1st May 2024</i>)	1/1
Mr. Siu Shing Tak	1/1
Mr. Yue Kwai Wa Ken	1/1

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE ACCOUNTS

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Group has complied with Principle D.2 of the CG Code by establishing and maintaining appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted during the year ended 31 March 2025, no significant risk was identified.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.

CORPORATE GOVERNANCE REPORT

- **Information and Communication:** Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Director is designated person who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted during the year ended 31 March 2025, no significant control deficiency was identified.

Internal Auditors

The Group has an Internal Audit ("IA") function, which is consisted of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via Audit Committee afterwards.

The Audit Committee reviewed and concluded that the IA function is effective and adequate.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review and the review made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Board is responsible for overseeing the Group's internal control system and ensuring that a sound and effective internal control system is maintained. The Company has engaged professional staff with relevant expertise to conduct review and make recommendations for the improvement and strengthening of the internal control system. The professional staff with relevant expertise has reviewed the major internal controls and measures, including financial, operational and compliance as well as risk management and has made relevant recommendations for improvement of the internal control system to the Board. Any material non-compliance or failures in internal controls maintained by the Group and relevant recommendations for improvements are reported to the Audit Committee.

The Board has to be fully responsible for the stability and effectiveness of the systems of internal control and with management of the Group. It is also responsible for ensuring that recommendations made by the IA function and professional staff with relevant expertise are properly implemented. The Board recognizes that the Group's internal control system plays a key role in the management of risks, and the assurance of continued compliance with laws and regulations by the Group.

The Audit Committee has kept under review the system of internal control. Based on review undertaken together with reports submitted by the management and professional staff with relevant expertise, the Audit Committee will provide the Board with advice on the adequacy of the Group's internal control system, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, in order to ensure that an effective internal control system is put in place. During the year under review, the Board considers that the Group has complied with the provisions on internal controls as stipulated in the CG Code. The Board is satisfied that the Group's internal control system including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and that no significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

AUDITOR'S REMUNERATION

The Audit Committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorised external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors.

During the year ended 31 March 2025, the fees paid/payable to the Company's auditor are set out as follows:

Services rendered	Fees paid/ payable HK\$'000
Audit services	360

During the year ended 31 March 2025, the fees paid/payable to the internal control consultant are set out as follows:

Services rendered	Fees paid/ payable HK\$'000
Non-audit services	
Other services – Internal control	50

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Mr. Sin Chi Keung ("Mr. Sin") was appointed as the company secretary of the Company (the "Company Secretary") and chief financial officer of the Group on 26 April 2017. The biography of Mr. Sin is set out under the section headed "Biographical Details of Directors and Senior Management". Mr. Sin has day-to-day knowledge of the Company's affairs. As the Company Secretary, Mr. Sin supports the Board by ensuring board procedures and all applicable law, rules and regulations are followed. He is responsible for advising the Board on governance matters and facilitates induction and professional development of the Directors. The appointment and dismissal of the company secretary are subject to the Board approval in accordance with the Articles. Whilst the Company Secretary reports to the Chief Executive Officer on the Group's company secretarial and corporate governance matters, all Directors have access to the advice and services of the Company Secretary. Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training in the year under review.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

RIGHT TO CONVENE EGM

Article 58 of the Articles provides that any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business in Hong Kong as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary of the Company at the Company's principal place of business in Hong Kong at Suites 1507, Tower 2, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified is not in order, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

CORPORATE GOVERNANCE REPORT

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitioner(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- (a) At least 14 clear days' notice in writing (and not less than 10 business days) if the proposal constitutes an ordinary resolution of the Company;
- (b) At least 21 clear days' notice in writing (and not less than 20 business days) if calling for an annual general meeting or the proposal constitutes a special resolution of the Company in an EGM.

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to info@majorcellar.com for the attention of the company secretary.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

- 1. matters within the Board's purview to the executive Directors;
- 2. matters within a Board committee's area of responsibility to the Chairman of the appropriate committee; and
- 3. ordinary business matters, such as suggestions, enquiries and consumer complaints, to the appropriate management of the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Act of the Cayman Islands (the "Companies Act"). However, shareholders are requested to follow Article 58 of the Articles for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 85 of the Articles, no person other than a director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office in the Cayman Islands or at the branch share registrar and transfer office in Hong Kong provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The declaration and payment of dividends are subject to the approval of the Shareholders, the Companies Act, the Articles as well as any applicable laws. It is the policy of the Company to allow the Shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth.

The Board shall take into account, inter alia, the following factors when deciding whether to propose a dividend and in determining the dividend amount: (i) operating and financial results of the Group; (ii) cash flow situation of the Group; (iii) business conditions and strategies of the Group; (iv) future operations and earnings of the Group; (v) taxation consideration of the Group; (vi) interim dividend paid, if any; (vii) capital requirement and expenditure plans of the Group; (viii) interests of Shareholders; (ix) statutory and regulatory restrictions; (x) the Company's ability to pay off its debts as and when they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be distributed; (xi) any restrictions on payment of dividends; and (xii) any other factors that the Board may consider relevant.

The Company does not have any pre-determined dividend payout ratio. There is no assurance that dividends will be paid in any particular amount for any given period.

INVESTOR RELATIONS

The Company has adopted a communication policy for shareholders and external parties which aims at (a) promoting effective communication with the Shareholders and other stakeholders; (b) encouraging the Shareholders to engage actively with the Company; and (c) enabling the Shareholders to exercise their rights as shareholders effectively. The communication policy is available on the website of the Company.

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include but not limited to the annual general meeting and other general meetings of the Company, the annual and interim reports, notices, announcements and circulars and the Company's website at www.majorcellar.com. Shareholders can also make enquiries in the Board in the manner set out in page 41.

The Board, conducted a review of the implementation and effectiveness of the communication policy for shareholders and external parties. Having considered the multiple channels of communication in place (see this paragraph and pages 40 to 41 of this Corporate Governance Report), the Board is satisfied that the shareholders communication policy has been properly implemented during 2025 and is effective.

For the year ended 31 March 2025, there had been no significant change in the Company's constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

INTRODUCTION

Major Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “we”) is mainly engaged in the sales and distribution of premium wine and spirits products and wine accessory products in Hong Kong. Products of the Group include red wine, white wine, sparkling wine, spirits, sake, wine accessory products and other products. The Group offers products through its retail shops, network of distributors, retail organisations, five-star hotels, and private clubs.

The Environmental, Social and Governance Report (the “ESG Report”) summarises the initiatives and performance of the Group, while demonstrating its commitment to sustainability. The preparation of the ESG Report, which was supported by employees across various departments, enables the Group to better understand its current environmental and social development. The information gathered in the ESG Report not only summarises the environmental and social initiatives carried out by the Group, but also forms the basis for the Group to map out short- and long-term strategies for sustainable development.

The Group believes sustainability is the key to achieving continuous success and has integrated this concept into its business strategy. To pursue a successful and sustainable business model, the Group recognises the importance of integrating environmental, social and governance (“ESG”) aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

CHAIRMAN'S STATEMENT

Dear valued stakeholders,

On behalf of the board (the "Board") of directors (the "Directors") of the Company, it is my pleasure to present our ESG Report for the year ended 31 March 2025 (the "Year" or "2025").

The Board strongly believes that a sound governance structure is critical to the effective management and monitoring of ESG-related issues. The Board shoulders the principal responsibilities for overseeing the Group's corporate governance as well as ESG-related issues. The Board possesses the necessary skills, experience and knowledge relevant to ESG management. When appropriate, external advisers would be engaged to provide expertise and professional advice for the ESG management process. More information about the Group's governance structure is stated in the section headed "SUSTAINABILITY GOVERNANCE".

To prioritise the material ESG-related issues, the Board and the ESG working taskforce (the "Taskforce") assess the significance of various ESG topics and the associated risks to the Group's business operations. We consider different stakeholders' opinions by constantly communicating with the Group's stakeholders and regularly inviting them to participate in a materiality assessment. Information about the stakeholder communication channels and materiality assessment conducted by the Group is stated in the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT" respectively. To gain a deeper understanding of stakeholders' expectations for the Group's sustainable development, the Group will further strengthen its communication with stakeholders. The Group will then formulate relevant sustainable development policies and measures based on their feedback, in order to enhance its ESG performance. The Board discusses the Group's ESG issues at least once per year and adjusts the Group's ESG management approach where appropriate.

The Group is committed to minimising its environmental impact to ensure sustainable business growth. As a socially responsible enterprise, the Group has set targets for material environmental aspects. To achieve the targets, the Group has taken various measures to reduce its environmental impact and raise employees' awareness of ESG. These targets help drive continued improvements in the Group's ESG, enabling the Group to better meet stakeholder expectations. The Taskforce regularly collects relevant quantitative performance data and reviews the effectiveness of environment-related measures to track the progress of the targets.

Last but not least, I would like to express my gratitude to the Directors, the management team, all employees and stakeholders for their contributions to the Group's sustainable development. In our sustainability journey, we will do our best to live up to our stakeholders' expectations.

Major Holdings Limited
Cheung Chun To
Chairman

Hong Kong, 13 June 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

SUSTAINABILITY GOVERNANCE

The Group conducts a top-down management approach regarding its ESG issues. The Board oversees and sets the general direction for the Group's ESG strategy. The Board has a supervisory role in the data collection, review of target progress and preparation of the ESG reports. It is also responsible for ensuring the effectiveness of the Group's risk management and internal controls.

To systematically manage the Group's ESG issues, the Group has established the Taskforce, composed of staff from relevant departments who possess relevant ESG capabilities. The Taskforce is responsible for collecting relevant ESG data, tracking the progress of the targets and compiling the ESG Report. The Taskforce assists in identifying and assessing the Group's ESG risks by evaluating, prioritising and managing different material ESG aspects, such as environmental protection, labour practices, and other ESG aspects. The Taskforce reports its findings and recommendations to the Board at least once per year.

SCOPE OF REPORTING

The reporting scope of the ESG Report is determined based on the materiality and revenue contribution of the business segments under the Group's direct operational control throughout the Year.

Unless specified otherwise, the ESG Report covers the Group's operating segment, which is also reported in this annual report, including the sales of red wine, white wine, sparkling wine, spirits, sake, wine accessory products and other products. Due to the disposal of a subsidiary, the reporting scope of this ESG Report excludes its office and warehouse, differing from that of the year ended 31 March 2024 ("2024").

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ESG Report has been prepared based on four key reporting principles stated in the ESG Reporting Guide, including "materiality", "quantitative", "consistency" and "balance".

Materiality: When defining important ESG issues related to the Group's business and stakeholders, the Group identifies and assesses the material concerns of its stakeholders through a systematic materiality assessment process. This ESG Report covers key issues that are related to different stakeholders. The materiality of the issues has been reviewed and confirmed by the Board and the Taskforce. For further details, please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT".

Quantitative: The Group has established internal guidelines and procedures with reference to industry practices, guidelines of relevant government departments, as well as laws and regulations, to collect environmental and social performance data from various business departments, and to maintain relevant monitoring instruments' records or supporting documents. The standards, methodologies, and assumptions (where applicable) used in the calculation of performance data are detailed in the relevant sections of the ESG Report.

Consistency: The statistical methods used in this ESG Report are consistent with those of 2024 unless otherwise stated. Relevant historical data have been disclosed in this ESG Report to enable stakeholders to better understand and compare the Group's sustainability performance.

Balance: This ESG Report aims to provide a balanced representation of the Group's ESG performance. It avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by report readers.

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STAKEHOLDER ENGAGEMENT

Opinions and feedback from the Group's stakeholders regarding its businesses and ESG aspects are greatly valued by the Group, as their expectations and concerns steer the Group towards sustainability, allowing the Group to formulate business and ESG strategies accordingly and appropriately. Throughout the Year, the Group has maintained close communication with key stakeholders, including investors and shareholders, employees, customers as well as suppliers and distributors, by utilising a variety of engagement methods, which are shown as below:

Stakeholders	Key Communication Channels	Expectations and Concerns
Investors and shareholders	<ul style="list-style-type: none"> Financial reports Announcements, circulars and notices Annual general meeting 	<ul style="list-style-type: none"> Return on investment Corporate governance Business compliance
Employees	<ul style="list-style-type: none"> Training, seminars and briefing sessions Regular employee performance reviews 	<ul style="list-style-type: none"> Employees' compensation and benefits Career development Health and safety work environment
Customers	<ul style="list-style-type: none"> Sales and marketing team (introduction of wine appreciation) Customer support hotline and email 	<ul style="list-style-type: none"> High quality products and services Protect the rights of customers After-sales customer services
Suppliers and distributors	<ul style="list-style-type: none"> Supplier management meetings and events 	<ul style="list-style-type: none"> Fair and open procurement Stable relationship

In order to gain a deeper understanding of stakeholders' expectations of the Group's sustainable development, the Group will further strengthen its communication with stakeholders and formulate relevant sustainable development policies and measures with reference to their opinions to enhance the Group's ESG performance and create greater value for the wider community on a continuous basis.

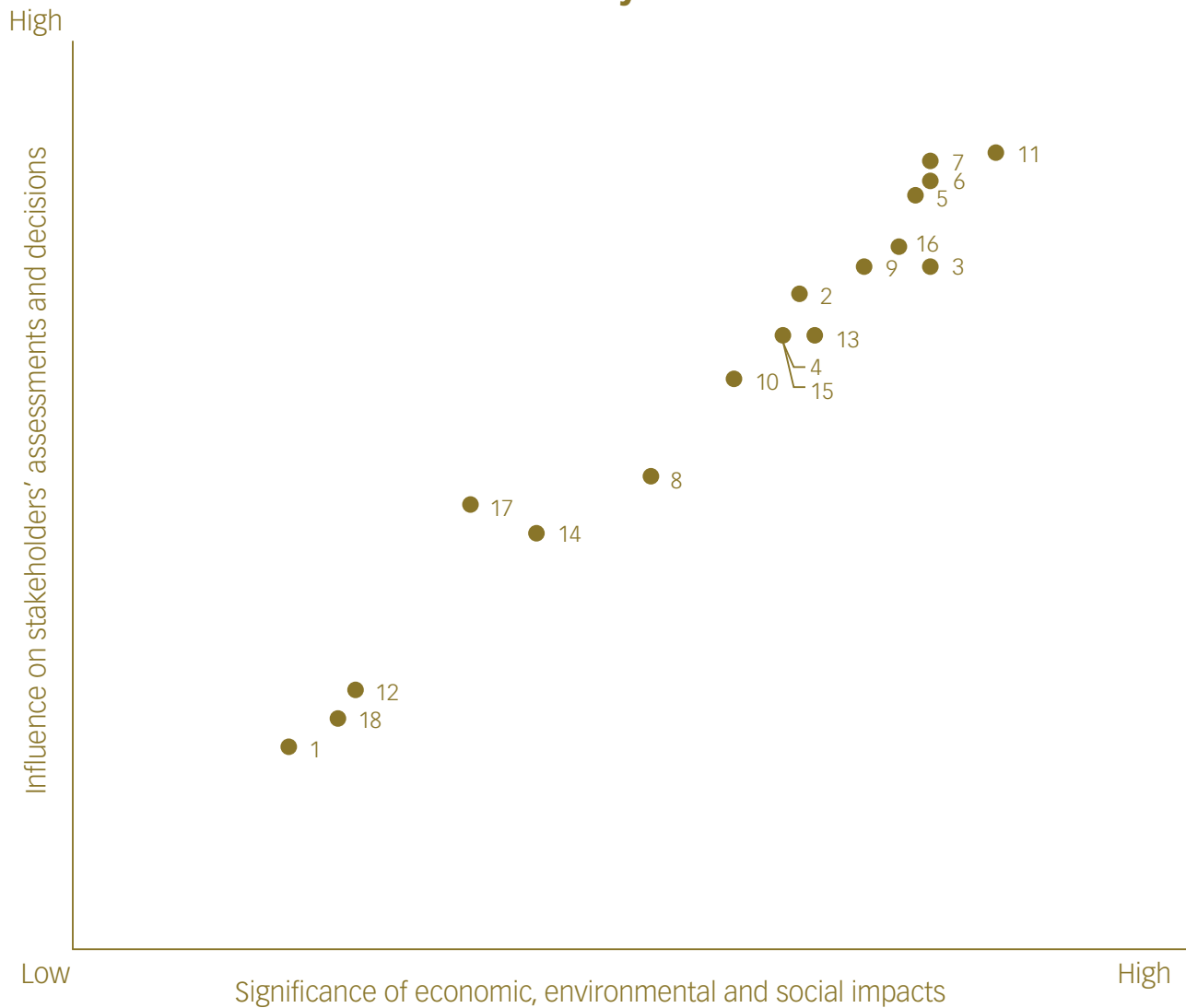
MATERIALITY ASSESSMENT

In preparation for the ESG Report, the Taskforce has assisted the Group in reviewing its operations, identifying relevant ESG issues, and assessing the importance of related matters to its businesses and stakeholders. The Group has compiled a survey in accordance with the identified material ESG issues to collect information from relevant departments, business units and stakeholders of the Group.

The following graph shows the materiality matrix of the Group.

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Materiality Matrix



ESG issues

1	Greenhouse gas ("GHG") emissions	10	Diversity, equal opportunity and anti-discrimination
2	Waste management	11	Occupational health and safety
3	Energy management	12	Training programmes
4	Water management	13	Supply chain management
5	Use of packaging material	14	Quality assurance
6	Climate change	15	Customer service
7	Indoor air quality	16	Anti-corruption
8	Recruitment, promotion and dismissal	17	Protection of whistle-blowers
9	Remuneration, welfare and benefits	18	Community investment

During the Year, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

CONTACT US

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or our performances in sustainable development by email at info@majorcellar.com.

A. ENVIRONMENTAL

Environmental Data Summary

Environmental Indicators ^{1, 2}	Unit	2025	2024
GHG Emissions³			
Scope 1 – Direct GHG Emissions	tonnes of carbon dioxide equivalent ("tCO ₂ e")	–	–
Scope 2 – Energy Indirect GHG Emissions	tCO ₂ e	11.33	111.20
Total GHG Emissions	tCO ₂ e	11.33	111.20
Total GHG Emissions Intensity	tCO ₂ e/employee	0.76	4.83
Waste			
Paper	kg	137.21	237.01
Total Non-hazardous Waste	kg	137.21	237.01
Total Non-hazardous Waste Intensity	kg/employee	9.15	10.30
Energy Consumption			
Direct Energy Consumption	MWh	–	–
Indirect Energy Consumption ⁴	MWh	29.82	285.13
Total Energy Consumption	MWh	29.82	285.13
Total Energy Consumption Intensity	MWh/employee	1.99	12.40
Water Consumption⁵			
Total Water Consumption	m ³	N/A	924.00
Total Water Consumption Intensity	m ³ /employee	N/A	40.17
Packaging Material			
Total Packaging Material Consumption	kg	–	579.03
Total Packaging Material Consumption Intensity	kg/bottle	–	0.02

Notes:

- As at 31 March 2025, the number of employees was 15 (as at 31 March 2024: 23). These data are also used for calculation of other intensity data except the total packaging material consumption intensity.
- The number of bottles of product sold in the Year was 31,787 (2024: 27,989) bottles. These data are used for the calculation of total packaging material consumption intensity.
- The calculation of GHG emissions is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the ESG Data Hub created by the CLP Holdings Limited and "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
- Indirect energy consumption represents electricity purchased from external sources and consumed by the Group.
- The water consumption data in 2025 is not available as the water supply and discharge are solely controlled by the property owner or building management. The water consumption data in 2024 includes only that of the warehouse.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

A1. Emissions

The Group understands the importance of addressing any potential direct or indirect environmental impact caused by its business operations, and is committed to minimising pollution and conserving resources where possible.

To continue developing an environmentally sustainable business model, the Group has integrated environmental consideration into its decision-making processes, and embraced the challenge of addressing our most material ESG issues. This is achieved through innovating and implementing measures that promote energy conservation, waste reduction and any other green initiatives with respect to the Group's business. In efforts to create a culture of environmental sustainability, the Group also endeavours to raise employee's awareness of environmental protection and stress the importance of compliance with the relevant environmental laws and regulations.

To enhance the Group's environmental governance practice and mitigate the environmental impact of its operations, the Group has adopted and implemented the Corporate Social Responsibility Policy to regulate the emissions of GHG and air pollutants generated from its operations. The Group also implements various emission reduction measures to ensure that the emissions meet the requirements of relevant laws and regulations. The Corporate Social Responsibility Policy applies the waste management principles of "Reduce, Reuse, Recycle and Replace" as well as emission mitigation principles, with the objective of minimising the adverse environmental impacts.

In the long run, the Group will enhance its energy-saving management by minimising the use of lighting, air conditioning and electronic appliances, and will track its energy consumption regularly in the coming years.

Within our policy framework, we continually look for different opportunities to pursue environmentally friendly initiatives, enhance our environmental performance by reducing energy and the use of other resources.

During the Year, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to, the Air Pollution Control Ordinance, the Waste Disposal Ordinance and the Water Pollution Control Ordinance.

Exhaust Gas Emissions

As the Group does not own any company-owned vehicles or facilities that involve fossil fuels combustion, it considers that exhaust gas emissions generated during the Year were insignificant.

GHG Emissions

The GHG emissions of the Group were mainly generated from the purchased electricity (Scope 2). In 2024, the Group set an emissions target of maintaining or reducing its total GHG emissions intensity in 2025, using approximately 4.83 tCO₂e/employee in 2024 as the baseline. During the Year, the Group's total GHG emissions intensity was approximately 0.76 tCO₂e/employee, representing a year-on-year decrease of approximately 84.27% due to the exclusion of the warehouse. The Group achieved its GHG emissions target, and will continue to implement relevant GHG emissions reduction initiatives in the future.

The Group has set an emissions target of maintaining or reducing its total GHG emissions intensity in the year ending 31 March 2026 ("2026"), using approximately 0.76 tCO₂e/employee in 2025 as the baseline. To reduce GHG emissions, the Group actively adopts energy-saving measures described in the section headed "Energy Management" under aspect A2 "Use of Resources".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

Sewage Management

Due to the Group's business nature, the discharges into land were insignificant. Similarly, discharges into water were insignificant. The sewage discharge is covered by the water bill.

Waste Management

Hazardous waste handling method

Due to the Group's business nature, the Group did not generate a significant amount of hazardous waste during the Year. Therefore, the Group has not set any targets for hazardous waste management. Nevertheless, the Group has established guidelines to better govern the management and disposal of hazardous wastes. When there are any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such wastes, which is in compliance with the relevant environmental rules and regulations.

Non-hazardous waste handling method

The Group's Corporate Social Responsibility Policy places emphasis on waste reduction, adhering to the principles of "Reduce, Reuse, Recycle and Replace" to promote better utilisation of environmental resources. The Group is committed to fostering an environmentally-friendly mindset among its employees.

In 2024, the Group set a waste reduction target of maintaining or reducing its total non-hazardous waste intensity in 2025, using approximately 10.30 kg/employee in 2024 as the baseline. During the Year, the Group's total non-hazardous waste intensity was approximately 9.15 kg/employee, representing a year-on-year decrease of approximately 11.17% due to the exclusion of the warehouse. The Group achieved its waste reduction target, and will continue its commitment to reduce its waste generation.

The Group has set a waste reduction target of maintaining or reducing its total non-hazardous waste intensity in 2026, using approximately 9.15 kg/employee in 2025 as the baseline. To reduce waste generation, the Group's staff and the assigned administrative personnel collectively take responsibility for waste management in the retail shops and offices in accordance with the established environmental policies. The Group has implemented waste handling measures and launched different reduction initiatives, including but not limited to:

- Promote the recycling of toner and the use of environmentally friendly materials;
- Redeploy office furniture within the Group where possible to reduce the amount of waste going to landfill; and
- Sort recycled waste into appropriate receptacles, educating employees on sorting methods if needed.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

Paper Management

The Group has adopted the following practices to reduce paper waste at source, including but not limited to:

- Replace paper-based office administration system with the Office Automation system;
- Install the Electronic Point of Sale ("EPOS") system to monitor the level of inventories electronically and employing electronic communication;
- Utilise electronic communication where applicable, such as e-leave system, e-cards for festival greetings, medical e-claims and e-brochures for distributing to customers;
- Redeploy computers and notebooks within the Group where possible;
- Recycle used papers, carton boxes, envelopes and folders and use double-sided printing to minimise paper usage at our workplace;
- Encourage our staff to utilise electronic directories, forms, reports and storage when possible; and
- Explore the opportunity of using Forest Stewardship Council certified paper.

A2. Use of Resources

The Group is committed to optimising the use of resources in all of its business operations. The Corporate Social Responsibility Policy outlines the Group's ongoing initiatives to enhance resource efficiency and implement eco-friendly measures throughout its operations.

During its operations, the Group consumes electricity and water. The Group has established procedures to govern the efficient use of resources, with the objective of achieving higher energy efficiency and reducing unnecessary material consumption.

Energy Management

In 2024, the Group set an energy efficiency target of maintaining or reducing its total energy consumption intensity in 2025, using approximately 12.40 MWh/employee in 2024 as the baseline. During the Year, the Group's total energy consumption intensity was approximately 1.99 MWh/employee, representing a year-on-year decrease of approximately 83.95% due to the exclusion of the warehouse. The Group achieved its target, and will continue its commitment to efficient energy use.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

The Group has set an energy efficiency target of maintaining or reducing its total energy consumption intensity in 2026, using approximately 1.99 MWh/employee in 2025 as the baseline. To reduce energy consumption, the Group has developed related policies and initiatives focused on energy conservation. Regular reviews are conducted on our energy objectives and targets in order to seek continuous improvement in the Group's energy performance. The Group has adopted the following energy conservation measures, including but not limited to:

- Utilise light-emitting diode lights;
- Separate indoor areas into different light zones with independent switches;
- Improve the work efficiencies of air conditioners by cleaning the filters and fans regularly;
- Remind employees to switch off electronic appliances during non-working hours where appropriate;
- Use high-performance, all-in-one multi-function printers that combine printing, scanning, and copying capabilities into a single shared device across departments. This reduces the total number of individual devices that require power and maintenance;
- Set computers to automatic sleeping mode when idle; and
- Allow employees to dress casual wear in hot weather so as to reduce the use of air conditioners.

Water Consumption

Water is one of the most precious resources on the planet, and therefore the Group pays great attention to conserving water in its daily operation. Since the water supply and discharge of the head office and retail shops are solely controlled by the property owner or building management, water consumption data is not available. The quantitative water efficiency target set for the warehouse in 2024 cannot be assessed due to the exclusion of the warehouse. Yet, the Group will continue its commitment to efficient water use.

To reduce water consumption, the Group has implemented various measures such as using appliances with water-efficient labels to raise its employees' awareness of water saving. In addition, the Group encourages employees to save water. The Group is dedicated to further promoting water saving by providing educational materials to employees in the coming years.

Due to the Group's business nature, the Group did not encounter any problem in sourcing water that is fit for purpose.

Use of Packaging Material

Due to the exclusion of the warehouse, the Group's business does not engage in any significant use of packaging materials during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

A3. The Environment and Natural Resources

Although the core business of the Group has a relatively remote impact on the environment and natural resources, we recognise our responsibility in minimising the negative environmental impact of our business operations, as an ongoing commitment to good corporate social responsibility.

The Group has formulated the Corporate Social Responsibility Policy to mitigate its environmental impacts and adopt industry best practices aimed at reducing natural resources consumption and emissions. We regularly assess the environmental risks of our business and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations.

Indoor Air Quality

The indoor air quality in our workplace is regularly monitored and measured. The Group adopts air-purifying equipment in the workplaces and conducts regular cleaning of the air conditioning system, which helps maintain good indoor air quality and filters out pollutants, contaminants, and dust particles.

A4. Climate Change

Identification and Mitigation

The Group recognises that climate change has been affecting our stakeholders, business operations and communities in different aspects. To enhance our ability to respond to and mitigate the risks and impacts of climate change, the Group has developed a Climate Change Policy. This policy aims to help the Group adapt to and build resilience against the effects of climate change.

Physical Risks

Climate change has led to a higher frequency and severity of extreme weather conditions, which may disrupt the day-to-day operations of the Group and prevent it from providing essential products and services to its customers, resulting in reduced revenue. Therefore, the Group has developed a risk emergency mechanism and optimised the emergency management process to cope with these extreme weather conditions.

Transition Risks

Climate change may also lead to rising raw material prices and increased procurement costs. To manage this, the Group actively monitors price trends and communicates with suppliers to mitigate the risks of rising purchase costs.

In addition, there are more stringent climate-related legislations and regulations to support the global vision of decarbonisation. For instance, the Stock Exchange has required listed companies to enhance climate-related disclosures. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet the compliance requirements relating to climate change. This may increase the Group's compliance costs. In response to the policy, legal, and reputational risks, the Group regularly monitors existing and emerging trends, climate-related policies, and regulations. The Group is proactive in alerting senior management to avoid cost increments, non-compliance fines, or reputation damage due to delayed response. The Group will continue to assess the effectiveness of its actions on climate change and enhance its resilience against climate-related issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

B. SOCIAL

B1. Employment

The Group is committed to creating an inclusive working environment, providing employees with equal opportunities in all matters, and striving to ensure that employees are treated fairly regardless of their gender, marital status, pregnancy, disability, family status, or race. Pursuant to the Corporate Social Responsibility Policy, the Group upholds a high standard of business ethics and personal conduct for its employees. The Staff Handbook has been formulated to cover relevant policies. The Group's employment policies and procedures are all in strict compliance with the Employment Ordinance, as well as the laws and regulations on anti-discrimination.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited to, the Employment Ordinance and the Minimum Wage Ordinance.

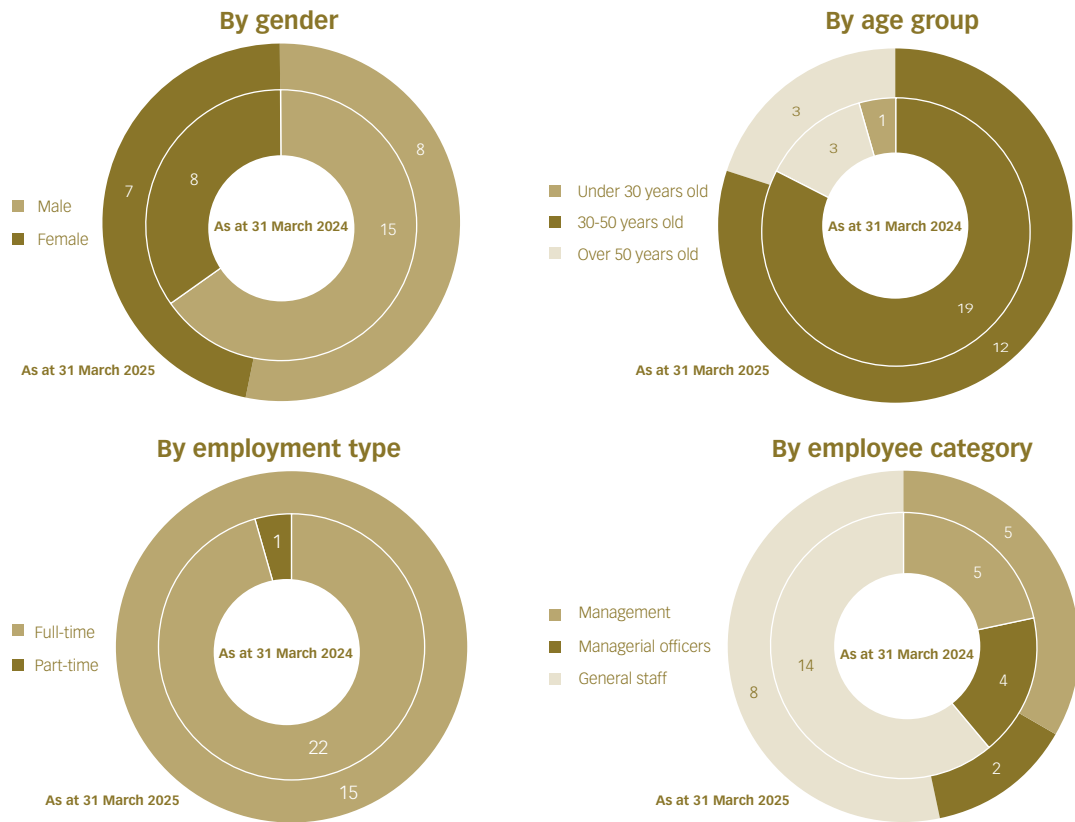
Recruitment, Promotion and Dismissal

The Group considers its employees to be its greatest asset and strives to attract and retain the best people for its sustainable growth. We apply robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their suitability for the position and potential to fulfil the Group's current and future needs.

The promotion of the Group's employees is subject to regular review. In case of a vacancy in higher positions, priority is given to internal promotion of employees based on determinants such as their performance, educational background, ability, conduct, and attendance record. Unreasonable dismissal under any circumstances is forbidden in the Group. The dismissal process will only be proceeded with a reasonable basis, and sufficient communication on the problems is ensured prior to the official dismissal.

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As at 31 March 2025, the Group employed a total of 15 employees (as at 31 March 2024: 23 employees), all of whom were located in Hong Kong. The employee composition by gender, age group, employment type and employee category are as follows:



During the Year, the Group recorded a turnover rate¹ of approximately 53.33% (2024: approximately 21.74%). The breakdown of turnover rate by gender, age group and geographical region is depicted as below:

Indicators	Unit	2025	2024
Total turnover rate ¹	%	53.33%	21.74%
By gender²			
Male	%	87.50%	20.00%
Female	%	14.29%	25.00%
By age group²			
Under 30 years old	%	Not applicable ³	—
30-50 years old	%	41.67%	15.79%
Over 50 years old	%	66.67%	66.67%
By geographical region²			
Hong Kong	%	53.33%	21.74%

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Notes:

1. Calculation method of total turnover rate: (total number of departures in the year ÷ total number of employees at the end of the year) × 100%.
2. Calculation method of turnover rate by category: (number of departures in the category in the year ÷ number of employees in the category at the end of the year) × 100%.
3. The Group did not employ any employees under 30 years old as at 31 March 2025. Therefore, the Group's turnover rate of employees under 30 years old was not applicable in 2025.

Remuneration

The employees' remuneration packages, including basic salary, discretionary bonuses, sales commission, and medical insurance, are determined in light of their qualifications, position, and seniority. To ensure the level of remuneration remains competitive, the Group conducts an annual assessment on the remuneration packages. The adjustment range is subject to each employee's performance, efficiency, behaviour and discipline, degree of loyalty and contribution to the Group, as well as the Group's financial situation and changes in market wages.

Welfare and Benefits

In line with the Employment Ordinance, employees are entitled to at least one day off per week and public holidays. Employees are also eligible for annual leave, maternity leave, marriage leave, paternity leave, sick leave, compassionate leave, special leave, and jury service leave. The normal working hours for employees are eight hours per day. Shift work and different working hours systems may apply depending on the job nature and arrangement of the department.

The Group also remits contributions to the Mandatory Provident Fund Retirement Benefit Scheme under Hong Kong's Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong.

Diversity, Equal Opportunity and Anti-discrimination

As an equal opportunity employer, we recognise the value of a diverse and skilled workforce and are committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive.

We are dedicated to providing equal opportunity in all aspects of employment and maintaining workplaces that are free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

The Group's equal opportunities code, as specified under the Staff Handbook, allows zero tolerance for any workplace discrimination, harassment, or victimisation, in accordance with relevant government legislation, ordinances, and regulations. Employees are encouraged to report any incidents involving discrimination to the Audit Committee of the Board. We strive to ensure that complaints, grievances, and concerns, including whistleblowing, are dealt with in a prompt and confidential manner.

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B2. Health and Safety

The Group highly values the health and safety of all our employees, distributors, customers, and others who visit or work on our premises. We are committed to preventing work-related accidents, injuries, and illnesses, and maintaining a hazard-free working environment. We believe that employees are the valuable assets of an enterprise and regard human resources as our corporate wealth. The Group has established a section on health and safety in the Staff Handbook, which covers the prevention and remediation of workplace accidents in order to maintain a safe working environment. We review the necessity to revise this section and our health and safety practices regularly to ensure continuous improvement of our health and safety standards.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations in Hong Kong that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance. During the Year, the Group recorded no lost days due to work injury (2024: Nil) and no work-related fatalities occurred between 1 April 2022 and 31 March 2025.

Occupational Health and Safety Training

The Group follows the occupational health and safety guidelines recommended by the Labour Department and Occupational Safety and Health Council, and regularly encourages employees to attend related workshops or training courses. The Human Resources and Administration Department of the Group also takes responsibility for the offices' occupational health and safety and relevant promotions and monitoring. It is responsible for monitoring and reviewing the safety and security management system periodically, and performing regular checks to ensure the employee safety.

The managers of different workplaces are responsible for providing new employees with training on fire prevention and safety induction on their first working day. For specific posts (such as electricians), employees are required to acquire qualification certificates prior to employment. To reduce injuries and health problems caused by cargo handling and prolonged use of computers, detailed guidelines and safety notes are delivered to employees for their reference.

Different sets of safety manuals covering fire prevention, safety knowledge, and handling procedures for accidents in the workplace have been formulated for the retail shops and offices, to maintain and ensure a safe working environment for employees.

B3. Development and Training

As stated in the Corporate Social Responsibility Policy, the Group believes in the benefits of providing a positive working environment where people can grow. The Group recognises that our success greatly depends on the valuable contribution of our talents. Therefore, we are committed to developing and inspiring our employees to achieve excellence continuously. This is achieved by implementing development of training strategies that focus on creating value and serving the needs of our customers, our talents and society.

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Training Programmes

The Group is committed to enhancing employees' industrial, technical and product knowledge as well as their understanding of work safety standards through the provision of induction programmes and continuous professional training. Training-related procedures have been outlined in the Staff Handbook. To maintain a high quality of service to customers, the Group not only prioritises the training of its wine consultants, but also arranges training sessions with suppliers to further enhance employees' knowledge on the selection of wine and spirits products. For employees in different positions, such as logistics, procurement, and clerical roles, the Group also arranges specialised training to improve their work efficiency and performance.

Furthermore, the Group has set up an education programme that subsidises employees to take courses related to their work, organised by various institutions and professional organisations. The management team will assess the relevance of the courses to each employee's work and determine the appropriate amount of subsidy accordingly. Employees can also apply for allowances to obtain qualification certificates in relevant skills.

During the Year, the percentage of employees trained¹ of the Group was approximately 33.33% (2024: approximately 21.74%). During the Year, the average training hours completed per employee of the Group² was approximately 2.67 hours (2024: approximately 1.74 hours). The following is a summary of the training performance of the Group:

Development and Training Indicators	Units	2025	2024
Total number of hours of internal training received by employees	hours	40.00	40.00
Total number of employees trained	number	5	5
Percentage of employees trained by gender³			
Male	%	25.00%	6.67%
Female	%	42.86%	50.00%
Percentage of employees trained by employee category³			
Management	%	20.00%	20.00%
Managerial officers	%	–	–
General staff	%	50.00%	28.57%
Average training hours completed per employee by gender⁴			
Male	hours	1.00	0.53
Female	hours	4.57	4.00
Average training hours completed per employee by employee category⁴			
Management	hours	1.60	1.60
Managerial officers	hours	–	–
General staff	hours	4.00	2.29

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Notes:

1. Calculation method of percentage of employees trained: $(\text{total number of employees trained in the year} \div \text{total number of employees at the end of the year}) \times 100\%$.
2. Calculation method of average training hours completed per employee: $\text{total number of training hours of employees in the year} \div \text{total number of employees at the end of the year}$.
3. Calculation method of percentage of employees trained by category: $(\text{number of employees trained in the category in the year} \div \text{number of employees in the category at the end of the year}) \times 100\%$.
4. Calculation method of average training hours completed per employee by category: $\text{number of training hours of employees in the category in the year} \div \text{number of employees in the category at the end of the year}$.

B4. Labour Standards

Prevention of Child Labour and Forced Labour

The Group does not tolerate any forms of forced labour and child labour, as clearly stated in the Group's Staff Handbook. The Group strictly complies with local laws and conducts recruitment in accordance with the Employment Ordinance. Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data. The Human Resources and Administration Department of the Group carefully checks identity documents to ensure that candidates meet the legal age and job requirements. All employees sign labour contracts voluntarily and are free to resign with proper notice. The Group explains the labour contract terms to each new employee, who then signs and agrees to the conditions. Furthermore, employees of the Group only work overtime if necessary and on a voluntary basis. If any breach of the recruitment procedures is found to have resulted in the employment of child labour or forced labour, the Group will immediately stop the work of the affected individuals and provide them with the necessary assistance.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations in Hong Kong that have a significant impact on the Group relating to the prevention of child and forced labour. The relevant laws and regulations include, but are not limited to, the Employment Ordinance.

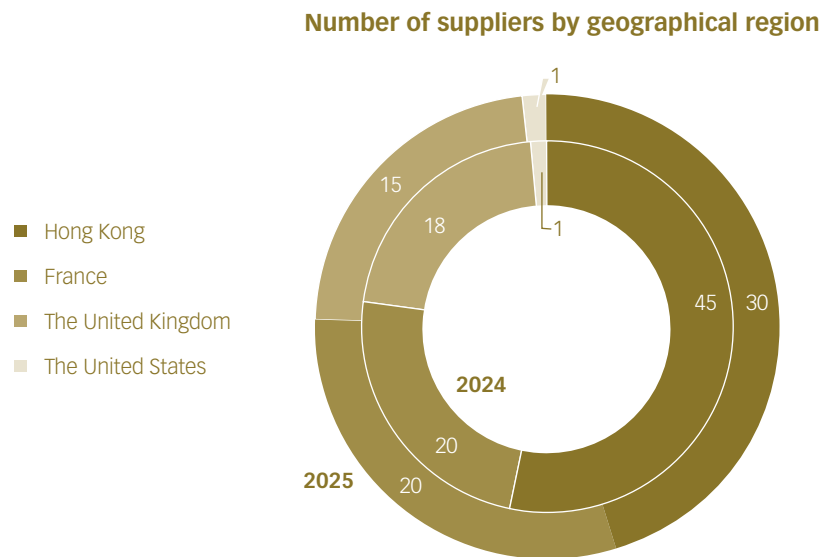
B5. Supply Chain Management

Supply Chain Management Structure

The Group strives to establish and maintain a close business relationship with its suppliers and business partners. With supply chain management being a core procedure for quality control, the Group has established operating procedures for the purchasing team in the selection of suppliers, including background assessment on new suppliers. Suppliers of wine and spirit products are selected based on their reputation and industrial recognition for product quality and supply reliability, operation history, business size, delivery performance, product portfolio, stock inventories, market demand of the products. Generally, products procured from suppliers must not only comply with the applicable laws and standards of their country of origin, but also hold certifications issued by the local wine association. The Group holds an annual meeting with suppliers, which helps facilitate a better understanding of their supply capabilities. Additionally, the EPOS system enables the Group to closely track the sources of its products.

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During the Year, the number of suppliers was 66 (2024: 84). During the Year, all of the Group's suppliers were qualified suppliers that met the standard set forth in the Group's regular assessment. The following is a summary of the Group's suppliers by geographical region:



Environmental and Social Responsibility of Suppliers

In view of the increasing awareness of environmental and social issues in today's society, the Group has taken both environmental and social risks into consideration in the procurement and supplier selection process, to avoid being associated with suppliers that do not align with the Group's long-term vision for sustainable development. The Group endeavours to keep constant communication with suppliers and will continue to monitor its supply chain to ensure adherence to the Group's environmental and social standards. For any suppliers found to be falling short of these standards, the Group will consider terminating the business relationship.

During the Year, the Group was not aware of any key suppliers that had taken actions or engaged in practices with significant negative impacts on business ethics, environmental protection, human rights, or labour practices.

Fair and Open Procurement

The Supplier Code of Conduct also ensures that the suppliers can participate in an open and fair manner. The Group does not differentiate or discriminate against any of its suppliers. We strictly monitor and prevent all forms of business bribery and conflict of interest, such as avoiding the use of suppliers which are directly or indirectly owned by employees or preventing suppliers from favouring employees' personal interests either directly or indirectly.

Green Procurement

The Group is committed to supporting local economies by prioritising procurement from local suppliers to reduce the carbon footprint associated with transportation. When selecting suppliers for the wine and spirit products, the Group takes the geographical locations of the suppliers into account to minimise the GHG emissions generated during the product delivery process. We also give priority to suppliers which provide eco-friendly products and services during our selection procedure. The Group may terminate the business relationship with any supplier that refuses to address situations causing serious environmental harm. The Group conducts regular reviews to monitor the effectiveness of the Supplier Code of Conduct and other relevant operating procedures for the purchasing team.

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B6. Product Responsibility

The Group takes pride in ensuring customer satisfaction with our products and services, and has always embraced a customer-centric business philosophy across all operations of the Group. Therefore, we strive to optimise and improve the quality of our products and services so as to satisfy and meet our customers' expectations.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of rectification. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance and the Personal Data (Privacy) Ordinance.

Quality Assurance

The Group has engaged independent third-party logistics companies with good reputation and rich experience in the shipment of wine and spirit products to pick up and deliver the products procured from suppliers to the retail shops and offices. During transportation, the products are stored in temperature-controlled containers.

Upon arrival at the retail shops and offices, the Group's logistics team conducts a thorough inspection of the wine and spirit products. This includes examining the labelling, wine level, sealing, and overall packaging. To verify the authenticity of any suspected products, a wine inspector with solid wine knowledge and academic background will examine various aspects of the product, such as the wooden case, exterior design, carving, label, capsule, and special bottle design. If a product is found to be defective during the quality control inspection, the Group's purchasing team will liaise with the corresponding supplier, provide supporting photographic evidence, and arrange for the return of the defective item. Relevant processes are documented in the operating procedures for the purchasing team.

To ensure the inventories are free from contamination and properly stored, the temperature and relative humidity levels of the storage area are strictly controlled between 17 to 19 degrees Celsius and 55% to 70%, respectively. The Group's logistics team monitors and records the storage conditions on a daily basis.

The Group places great importance on the quality management of its products. All products sold by the Group are properly labelled, allowing the Group to effectively track its inventory. If any quality issues are detected with the sold products, the Group promptly identifies the source of the defects and the affected batch through its tracking system. When necessary, the Group will initiate a product recall to rectify the issues and prevent future recurrence.

In 2025, the Group had no goods or orders sold or shipped subject to recalls for product quality, safety or health reasons (2024: Nil).

Customer Privacy Protection

Newly-recruited employees are required to sign a confidentiality agreement which outlines the Group's requirements for privacy protection and a non-competition clause. The Staff Handbook also explicitly stipulates that when employees are authorised to handle the Group's information, they must take security measures to avoid abuse, misuse, or loss of such information. Without written approval from management, employees are not permitted to disclose any information about the Group's business, financial trading, or other aspects to third parties. The Group regularly reviews the confidentiality agreement and closely monitors relevant data protection laws and regulations to ensure the agreement adequately safeguards customer privacy.

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Customer Service

Customer service has always been a major focus for the Group to achieve continuous development. To enhance customers' overall shopping experience, the Group provides complimentary wine appreciation consultation services and wine storage consultation services as part of its after-sales customer support.

The Group's sales and marketing team consists of four wine consultants, three of whom possess a Level 2 Award in Wines and one of whom possesses a Level 4 Diploma in Wines awarded by the Wine and Spirit Education Trust. After the conclusion of a transaction, the sales and marketing team will give customers brief introduction and guidance of wine appreciation (such as breathing time and storage requirements) to enable the full enjoyment of their purchases, minimise the risk of damage due to improper storage and reduce the possibility of product returns.

The Group has also formulated a relevant complaint handling policy. All of the complaints lodged by customers will be handled in a timely and courteous manner. Once appropriate remedial actions have been determined, a member of the sales and marketing team will follow up with the relevant customer in respect of remedial arrangements, including arranging for a refund of the product in dispute.

During the Year, the Group did not receive any material complaints from customers due to product quality or customer service quality (2024: Nil).

Intellectual Property Rights

The Group regularly assesses whether the products and/or services of all its suppliers and partners infringe on the intellectual property rights of any third parties. If any party is found to have infringed on the intellectual property rights, the Group will terminate the cooperation with that party. During the Year, the Group was not aware of any infringement of intellectual property rights (2024: Nil).

Advertising and Labelling

The Group has launched various publicity campaigns such as advertising in magazines, organising wine tasting events, and participating in wine and spirits fairs and other promotional activities to boost sales of its products as well as strengthen relationships with customers. Brochures and promotional leaflets are also distributed to customers to promote the Group's corporate image and brand. It is the Group's commitment to ensure the compliance of its advertisement and promotional strategies with the Trade Descriptions Ordinance and other relevant laws and regulations. False, misleading or incomplete information and misstatements with respect to products are all strictly prohibited.

B7. Anti-corruption

The Group has always upheld integrity, honesty and fairness as the principles of how we operate. Therefore, the Group firmly does not tolerate any corruptions, fraud and other behaviours that could compromise its reputation as an ethical corporate.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations in Hong Kong that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance. During the Year, the Group did not have any concluded legal cases regarding corrupt practices brought against the Group or its employees (2024: Nil).

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Anti-corruption Training

With the recognition of the importance of a corruption-free business operation, the Group strictly observes the Prevention of Bribery Ordinance and other laws and regulations. As stated in the disciplinary code under Staff Handbook, employees are forbidden to solicit or accept any benefits, gifts and hospitality from customers, suppliers and other third parties engaged in business operation with the Group. Taking advantage of one's position and power to commit crimes is also unequivocally prohibited and will be severely punished. Employees also have the responsibility to avoid any conflict of interest between the Group and their family, relatives, or friends.

The Group provides anti-corruption training for the Directors and staff at least once per year. The relevant training covers legal knowledge and integrity-based behaviours in the workplace. Where appropriate, the Group distributes reading materials relating to anti-corruption to the Directors and staff. The anti-corruption training helps to encourage a clean and honest style of work, enabling employees to be strict with themselves and fulfil their duties. During the Year, an anti-corruption training session was provided to the Directors and employees (2024: Nil).

Protection of Whistle-blowers

In order to further achieve and maintain the highest standards of openness, probity and accountability, the Group has also implemented a Whistle-blowing Policy. This policy allows all employees of the Group as well as independent third parties such as customers, suppliers and distributors who deal with any employees to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Audit Committee of the Board anonymously. Reports and complaints received will be handled in a prompt and fair manner. In some cases, the Group may need to refer the case to the competent authorities. The policy also aims to protect whistle-blowers from unfair dismissal, victimisation and unwarranted disciplinary actions. The identity of the whistle-blower will be kept confidential where possible. Any person found to have victimised or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions. To monitor the effectiveness of the whistle-blowing policy, all complaints are reviewed regularly to identify any pattern of alleged improprieties that need to be addressed.

B8. Community Investment

The Group follows its Corporate Social Responsibility Policy as part of its strategy to support the community through various means of social participation and contribution. This helps to nurture the Group's corporate culture as a responsible corporate citizen. As stated in the Corporate Social Responsibility Policy, the Group's community initiatives focus on areas including education, health and elderly care. We aim to promote social stability and support the underprivileged in rehabilitation to improve their quality of life. We also focus on inspiring our employees about social welfare concerns. We integrate human capital into our social management strategies to sustain our corporate social responsibility as a part of the strategic development of the Group.

During the Year, the Group did not contribute any resources to make community investment. However, the Group has actively considered spending money or time to benefit the community in the future.

Raising Awareness of Employees

The Group also encourages its employees to suggest areas of contribution based on their personal experiences in the community, so that the Group can allocate resources according to maximise its positive social impact.

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CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE (1)

Mandatory Disclosure Requirements	Sections
Governance Structure	CHAIRMAN'S STATEMENT; SUSTAINABILITY GOVERNANCE; STAKEHOLDER ENGAGEMENT; MATERIALITY ASSESSMENT
Reporting Principles	REPORTING FRAMEWORK
Reporting Boundary	SCOPE OF REPORTING

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE (2)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions – Exhaust Gas Emissions (not applicable and explained)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions – Waste Management (not applicable and explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A1. Emissions – GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions – Waste Management; A1. Emissions – Paper Management

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Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2. Use of Resources – Use of Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources – Indoor Air Quality
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change – Physical Risks; A4. Climate Change – Transition Risks

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Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1. Employment – Recruitment, Promotion and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1. Employment – Recruitment, Promotion and Dismissal
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety
KPI B2.2	Lost days due to work injury.	B2. Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety – Occupational Health and Safety Training

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Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. Development and Training – Training Programmes
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. Development and Training – Training Programmes
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4. Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4. Labour Standards – Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. Labour Standards – Prevention of Child Labour and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5. Supply Chain Management – Supply Chain Management Structure
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	B5. Supply Chain Management – Supply Chain Management Structure; B5. Supply Chain Management – Fair and Open Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5. Supply Chain Management – Environmental and Social Responsibility of Suppliers
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5. Supply Chain Management – Green Procurement

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Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Product Responsibility – Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	B6. Product Responsibility – Customer Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	B7. Anti-corruption – Protection of Whistle-blowers
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption – Anti-corruption Training

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Subject Areas, Aspects,

General Disclosures and KPIs

Descriptions

Sections/Declarations

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community Investment

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Cheung Chun To (張俊濤), aged 46, our chairman and an executive Director, was appointed to the Board on 2 April 2013. Mr. Cheung is the brother of Mr. Cheung Chun Pang (a former executive Director) and Ms. Cheung Wing Shun (a former executive Director). Mr. Cheung is primarily responsible for overseeing and managing the overall operation of our Group, planning and executing the overall corporate strategies and developing and handling external relationship for our Group. Mr. Cheung graduated from Wilfrid Laurier University, Canada in June 2001 with a bachelor's degree in arts. From July 2001 to July 2002, Mr. Cheung worked at a property agency as a sales representative in Shanghai. From July 2002 to February 2005, Mr. Cheung worked at Hang Shing Jewellery Company Limited as a management trainee, responsible for liaising with suppliers, meeting clients, implementing sales and marketing campaigns and conducting market research. From March 2005 to December 2008, Mr. Cheung worked at Shenzhen Henglong Electronic Company Limited (深圳市恆隆電子有限公司), responsible for leading and managing the sales team. In June 2008, Mr. Cheung became the shareholder of Rouge & Blanc Wines Limited ("Rouge & Blanc"). In September 2009, Mr. Cheung and Mr. Leung together founded Major Cellar Company Limited ("Major Cellar") and Mr. Cheung has been appointed a director of Major Cellar since November 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yue Kwai Wa Ken (余季華) ("Mr. Yue"), aged 59, was appointed to the Board as an Independent non-executive Director on 30 December 2013. Mr. Yue is the Chairman of the Remuneration Committee of the Company and a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. Yue has approximately 25 years of experience in accounting, finance and valuation. Mr. Yue obtained a Diploma of Technology in Financial Management Accounting Option from the British Columbia Institute of Technology in Canada in June 1989. Mr. Yue also obtained a bachelor degree of science from Upper Iowa University of the United States in March 2005. Mr. Yue has been admitted as a member of the American Institute of Certificate Public Accountants in October 2005, a member of the Chartered Global Management Accountant in 2012 and a fellow member of the Colorado Society of Certified Public Accountants in September 2005. Mr. Yue has been appointed as an executive director of Roma (Meta) Group Limited ("Roma Group"), a company listed on the GEM of the Stock Exchange (Stock code: 8072), since 18 March 2011 and company secretary and compliance officer of Roma Group since 26 September 2011. Also, Mr. Yue has been redesignated as the chief executive officer of Roma Group since 1 October 2017 and appointed as the chairman of Roma Group since 18 December 2017. Mr. Yue has been appointed as an independent non-executive director of China Starch Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 3838), since 5 September 2007 until 15 August 2024 and has been appointed as an independent non-executive director of Manfield Chemical Holdings Limited, a company listed on the Stock Exchange (stock code: 1561) since 6 November 2015 until 31 December 2018.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Siu Shing Tak (蕭承德) (“Mr. Siu”), aged 41, was appointed to the Board as an independent non-executive Director on 22 March 2018. Mr. Siu is the Chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee of the Company. He graduated from Walter A. Haas School of Business of the University of California, Berkeley, with a Bachelor degree in Science in Business Administration. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountant. He has over ten years of experience in accounting, auditing and internal control. He held various senior management positions in companies listed in the United States and Hong Kong, where he was responsible for internal audit and daily financial operation and he assisted in their transactions and compliance with applicable rules and regulations. He also worked in PricewaterhouseCoopers in its United States and Hong Kong offices during which he engaged in auditing work of listed companies and initial public offering projects.

Ms. Li Bo (李博) (“Ms. Li”), aged 41, has accumulated more than 20 years of working experience in the fields of banking and finance. Ms. Li has been the director’s assistant of Zhongqin Wanxin Accounting Firm Shenzhen Office (中勤萬信會計師事務所深圳分所) (“Zhongqin Wanxin”) since May 2015. She is responsible for Zhongqin Wanxin’s operations, internal control management, and customer development and services.

Prior to joining Zhongqin Wanxin, Ms. Li was the corporate business supervisor of the corporate banking department of Shanghai Pudong Development Bank Shenzhen Branch (上海浦東發展銀行深圳分行) from April 2009 to March 2015, and the retail customer manager of the retail banking department of China Merchants Bank Shenzhen Branch (招商銀行深圳分行) from July 2003 to March 2009.

Ms. Li obtained a Bachelor Degree of Accounting in Beijing Technology and Business University in China in 2005. She obtained Associate Financial Planner issued by Financial Planning Standards Board in 2007, Fund qualification issued by Asset Management Association of China (中國證券投資基金業協會) in 2017, and Enterprise Human Resources Professional issued by Ministry of Human Resources and Social Security of the People’s Republic of China (中華人民共和國人力資源和社會保障部) in 2019.

Ms. Li is dedicated to social welfare, she has also been a volunteer at Shenzhen Charity Association (深圳慈善會) from 2018.

SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. Sin Chi Keung (冼志強), age 63, joined the Group of Companies as Company Secretary and Chief Financial Officer since 26 April 2017. He is a fellow member with the Hong Kong Institute of Certified Public Accountants and holds a Master degree in Business Administration from the Oklahoma City University USA. He gained extensive experience in auditing, accounting, financial management, corporate finance, investments, corporate governance, compliance of the Listing Rules and related regulations through his works in international accounting firm, companies listed on the Stock Exchange and various senior management positions in companies of Hong Kong and the People’s Republic of China.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF MAJOR HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Major Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 77 to 119, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income for the year then ended; the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Provision of inventories

Refer to note 18 to the consolidated financial statements

The Group assessed the amount of inventories for impairment. This impairment assessment is significant to our audit because the balance of inventories of approximately HK\$31,467,000 as at 31 March 2025 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgment and is based on estimates.

Our audit procedures included, among others:

- Understanding the Group's key control over the assessment of the valuation of the inventories;
- Observed the management's inventory counts to identify whether there is any damaged or obsolete inventories;
- Evaluating the Group's impairment assessment;
- Assessing the ageing of the inventories on a sample basis;
- Evaluating the net realisable value of the inventories on a sample basis, by comparing their latest selling prices to their carrying amounts at the year end;
- Obtaining the external valuation report on certain high value inventories and meeting with the external valuers to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation models for the inventories.

We consider that the Group's impairment test for inventories is supported by the available evidence.

Recoverability of deposits paid to suppliers

Refer to note 20 to the consolidated financial statements

As at 31 March 2025, the carrying amount of deposits paid to suppliers was approximately HK\$58,956,000.

We identified the valuation of deposits paid to suppliers as a key audit matter due to the involvement of management's judgment in assessing its recoverability.

As disclosed in note 20 to the consolidated financial statements, deposits were paid to suppliers to purchase wine products with reference to business plan and relevant market condition.

The Group carried out the review on deposits paid to suppliers at the end of the reporting period and assessed the recoverability of the deposits paid to suppliers based on subsequent utilisation of the deposits paid to suppliers and recent selling prices or public quoted prices of the wine products.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Recoverability of deposits paid to suppliers (continued)

Refer to note 20 to the consolidated financial statements (continued)

Our audit procedures included, among others:

- Understanding the Group's key controls over the assessment of the valuation of the deposits paid to suppliers;
- Confirming the carrying amounts of deposits paid to suppliers by confirmations, on a sample basis;
- Checking the subsequent utilisation of the deposits paid to suppliers, on a sample basis, to the good received notes after the reporting period; and
- Assessing the reasonableness of the recoverability of the deposits paid to suppliers with reference to the recent selling prices or public quoted prices of the wine products, on a sample basis.

We consider that the Group's impairment test for deposits paid to suppliers is supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the Company's annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Beijing Xinghua Caplegend CPA Limited

Certified Public Accountants

Ngan Hing Hon

Audit Engagement Director

Practising Certificate Number P05294

Hong Kong, 13 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	58,025	63,039
Cost of sales		(66,902)	(57,573)
Gross (loss)/profit		(8,877)	5,466
Other income	7	873	3,834
Other losses, net	8	(9)	(558)
Reversal of/(impairment loss) of financial assets		6,194	(4,437)
Promotion, selling and distribution expenses		(4,839)	(7,226)
Administrative expenses		(6,644)	(12,267)
Loss from operations		(13,302)	(15,188)
Finance income		325	53
Finance costs		(151)	(548)
Finance income/(costs) – net	9	174	(495)
Loss before tax		(13,128)	(15,683)
Income tax expense	10	(227)	–
Loss and total comprehensive expense for the year attributable to owners of the Company	11	(13,355)	(15,683)
Loss per share			
– Basic and diluted (HK cent)	14	(2.41)	(3.96)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	15	548	541
Right-of-use assets	16	358	3,607
		906	4,148
Current assets			
Inventories	18	31,467	63,367
Trade receivables	19	7,939	15,172
Prepayments, deposits and other receivables	20	64,862	26,397
Amount due from a related party	21	1,147	–
Current tax assets		–	413
Bank and cash balances	22	11,516	26,450
		116,931	131,799
Current liabilities			
Trade payables	23	3,874	2,737
Contract liabilities	24	2,388	3,769
Other payables		736	1,530
Lease liabilities	25	1,011	3,536
Current tax liabilities		–	147
		8,009	11,719
Net current assets		108,922	120,080
Total assets less current liabilities		109,828	124,228

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities	25	214	1,259
		214	1,259
NET ASSETS		109,614	122,969
Capital and reserves			
Share capital	26	6,929	6,929
Reserves	28	102,685	116,040
TOTAL EQUITY		109,614	122,969

The consolidated financial statements on pages 77 to 119 were approved and authorised for issue by the board of directors on 13 June 2025 and signed on its behalf by:

Cheung Chun To
Director

Li Bo
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (note (i))	Other reserve HK\$'000 (note (ii))	Accumulated losses HK\$'000	
At 1 April 2023	4,158	197,993	(104,902)	30,483	(17,919)	109,813
Loss and total comprehensive expense for the year	–	–	–	–	(15,683)	(15,683)
Transaction costs attributable to rights issue	–	(1,316)	–	–	–	(1,316)
Issue of ordinary shares by rights issue	2,771	27,384	–	–	–	30,155
At 31 March 2024	6,929	224,061	(104,902)	30,483	(33,602)	122,969
At 1 April 2024	6,929	224,061	(104,902)	30,483	(33,602)	122,969
Loss and total comprehensive expense for the year	–	–	–	–	(13,355)	(13,355)
At 31 March 2025	6,929	224,061	(104,902)	30,483	(46,957)	109,614

Notes:

- (i) The capital reserve represents the difference between the nominal value of the share capital of Major Cellar Company Limited ("Major Cellar") at the date on which it was acquired by a subsidiary, Beyond Elite Limited, and the deemed consideration of HK\$104,912,000 settled by issuance of 100 shares by the Company pursuant to the corporate reorganisation completed on 28 August 2013.
- (ii) The other reserve represents deemed contribution from Rouge & Blanc Wines Limited ("Rouge & Blanc") regarding the waiver of amount due to Rouge & Blanc effective on 1 April 2012 which arose from the transfer of wine and spirit products and furniture and fixtures from Rouge & Blanc to Major Cellar on 31 March 2010. Rouge & Blanc is controlled by Mr. Cheung Chun To, a director and substantial shareholder of the Company, and Mr. Leung Chi Kin Joseph, a substantial shareholder of the Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(13,128)	(15,683)
Adjustments for:		
Interest on bank borrowings	–	165
Lease interest expenses	151	383
Finance income	(325)	(53)
Depreciation of property, plant and equipment	263	1,675
Depreciation of right-of-use assets	1,877	3,408
Gain on disposal of a subsidiary	(17)	–
Net allowance for inventories	2,833	810
(Reversal of)/impairment loss of financial assets	(6,194)	4,437
Impairment loss on property, plant and equipment	–	30
Impairment loss on right-of-use assets	–	474
Impairment loss on deposits paid to suppliers	4,399	–
Operating loss before working capital change	(10,141)	(4,354)
Change in inventories	29,067	7,501
Change in trade receivables	13,136	(10,229)
Change in prepayments, deposits and other receivables	(43,142)	8,950
Change in trade payables	1,513	1,036
Change in contract liabilities	(759)	(2,192)
Change in other payables	(782)	774
Change in amount due from a related party	(1,263)	–
Cash (used in)/generated from operating activities	(12,371)	1,486
Lease interest paid	(151)	(383)
Income tax refund	–	184
Net cash (used in)/generated from operating activities	(12,522)	1,287
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	325	53
Net cash outflow from disposal of a subsidiary	(161)	–
Purchases of property, plant and equipment	(494)	(161)
Net cash used in investing activities	(330)	(108)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	—	(8,986)
Bank borrowings raised	—	4,986
Repayment of lease liabilities	(2,082)	(3,336)
Loan interest paid	—	(165)
Repayment of due to a director	—	(2,000)
Proceeds from issue of ordinary shares by rights issue	—	28,839
Net cash (used in)/generated from financing activities	(2,082)	19,338
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,934)	20,517
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,450	5,933
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11,516	26,450
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	11,516	26,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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 note 17 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(i) Changes in accounting policies

In current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for the Group’s consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants
- Hong Kong Interpretation 5 (Revised), Hong Kong Interpretation (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The adoption of new or amended HKFRS Accounting Standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2025

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (continued)

(ii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2025 (continued)

	Effective for accounting periods beginning on or after
– Amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability	1 January 2025
– Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
– Amendments to HKFRS 9 and HKFRS 7 – Contract Referencing Nature-dependent Electricity	1 January 2026
– Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
– HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
– HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
– Amendments to HK-Int 5, Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
– Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's chief operating decision maker (being the executive directors of the Company) for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The board of Major Holdings Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee is the Group's chief operating decision maker and consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

(b) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method as follows:

Category	Estimated useful life
Leasehold improvements	Shorter of 20% and over the lease term
Office computers	20%
Furniture, fixtures and equipment	10% – 20%

The assets' estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 19 for further information about the Group's accounting for trade receivables and note 5(b) for a description of the Group's impairment policies.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit loss ("ECL").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Trade and other payables

These amounts represent liabilities for goods provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

As a lessee (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

Financial assets

(a) Classification

The Group classifies its financial assets to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

(d) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the expected credit losses are determined based on the Group's historical observed default rates and industry credit loss rate over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the Group's historical observed default rates and industry credit loss rate are updated and changes in the forward-looking estimates are analysed.

Impairment on amount due from a related party, deposits and other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Other income

Consignment commission is recognised when the products held on consignment has transferred, being when the products held on consignment are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products held on consignment and the customer has obtained legal titles to the products held on consignment.

Wine storage income is recognised on a straight-line basis over the lease term.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Employee benefits

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

The Group's net obligation in respect of long service payments to its employees upon termination of their employment or retirement when the employees fulfil certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") in Hong Kong under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(c) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Provisions and contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL ACCOUNTING ESTIMATES

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL ACCOUNTING ESTIMATES (continued)

(b) Impairment loss for financial assets

The Group makes impairment loss for financial assets based on assessments of the recoverability of the trade and other receivables, deposits and amount due from a related party, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the financial assets and doubtful debt expenses in the year in which such estimate has been changed.

(c) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Impairment of deposits paid to the suppliers

The Group had deposits paid to the suppliers for the purchase of wines with reference to business plan and relevant market condition. The Group carried out the review on deposits paid to suppliers at the end of the reporting period and assessed the recoverability of the deposits paid to suppliers based on subsequent utilisation of the deposits paid to suppliers and recent selling prices or public quoted prices of the wine products.

5. FINANCIAL RISK MANAGEMENT

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the trade receivables, deposits, other receivables, amount due from a related party and bank and cash balances included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Impairment on cash and cash equivalents

The Group's exposure to credit risk arising from bank and cash balances are limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

(ii) Impairment on trade receivables

In respect of trade receivables, periodical credit evaluations are performed taking into account the counterparty's financial position, past experience and future economic environment.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses of trade receivables, trade receivables having similar credit characteristic were grouped based on shared credit risk characteristics. For trade receivables, management collectively assessed the expected credit losses taking into account the history of bad debt losses and industry credit loss rate, in respect of those groups of customers.

The Group has identified the speculative-grade default rate to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in the factor.

	Current	Over 30 days past due	Over 60 days past due	Over 120 days past due	Total
At 31 March 2025					
Weighted average expected loss rate	2.62%	7.23%	9.86%	43.09%	
Receivable amount (HK\$'000)	1,985	83	213	10,080	12,361
Loss allowance (HK\$'000)	52	6	21	4,343	4,422
At 31 March 2024					
Weighted average expected loss rate	4.92%	8.67%	12.06%	62.40%	
Receivable amount (HK\$'000)	6,096	807	2,886	16,226	26,015
Loss allowance (HK\$'000)	300	70	348	10,125	10,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iii) Impairment on amount due from a related party, deposits and other receivables

The balances are considered to have low credit risk as the counterparties have a low risk of default and does not have any past due amounts. Loss allowance for these balances is measured at an amount equal to 12-month ECL. Loss allowance of amount due from a related party, deposits and other receivables are approximately HK\$116,000 and HK\$111,000 during the year ended 31 March 2025 (2024: Loss allowance of amount due from a related party, deposits and other receivables are HK\$ nil).

	Trade receivables HK\$'000	Amount due from a related party HK\$'000	Deposits and other receivables HK\$'000	Total HK\$'000
At 1 April 2023	6,406	–	–	6,406
Impairment losses recognised	4,437	–	–	4,437
At 31 March 2024 and 1 April 2024	10,843	–	–	10,843
(Reversal of impairment losses)/ impairment losses recognised	(6,421)	116	111	(6,194)
As at 31 March 2025	4,422	116	111	4,649

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 3 years HK\$'000
At 31 March 2025			
Trade payables	3,874	–	–
Other payables	736	–	–
Lease liabilities	1,047	167	56
At 31 March 2024			
Trade payables	2,737	–	–
Other payables	1,530	–	–
Lease liabilities	3,720	1,280	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(d) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to interest-rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition.

(e) Categories of financial instruments at 31 March

	2025 HK\$'000	2024 HK\$'000
Financial assets:		
Financial assets at amortised cost (including cash and cash equivalents)		
Trade receivables	7,939	15,172
Deposits and other receivables	4,128	4,744
Amount due from a related party	1,147	–
Bank and cash balances	11,516	26,450
	24,730	46,366
Financial liabilities:		
Financial liabilities at amortised cost		
Trade payables	3,874	2,737
Other payables	736	1,530
Lease liabilities	1,225	4,795
	5,835	9,062

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. REVENUE AND SEGMENT INFORMATION

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers and total revenue:		
Sales of goods	58,025	63,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue from contracts with customers:

	2025 HK\$'000	2024 HK\$'000
Major products:		
Red wine	45,841	47,623
White wine	2,959	6,164
Sparkling wine	1,828	2,248
Spirit	7,072	6,888
Wine accessory products	221	63
Sake	100	47
Others	4	6
	58,025	63,039

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

Sales of goods

The Group sells red wine, white wine, sparkling wine, spirit, whisky, champagne, cognac, dessert wine, 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.

Sales to customers are normally made with credit terms of 0 to 120 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

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

	2025 HK\$'000	2024 HK\$'000
Customer A	18,284	—*
Customer B	—*	8,373

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the particular year.

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Consignment commission	214	541
Storage fee income	510	3,293
Others	149	—
	873	3,834

8. OTHER LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange loss	26	17
Impairment loss on property, plant and equipment	—	30
Impairment loss on right-of-use assets	—	474
Gain on disposal of subsidiary	(17)	—
Others	—	37
	9	558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. FINANCE INCOME/(COSTS), NET

	2025 HK\$'000	2024 HK\$'000
Interest income	325	53
Finance income	325	53
Interest on bank borrowings	–	165
Lease interest expenses	151	383
Finance costs	151	548
Finance income/(costs), net	174	(495)

10. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
– Under-provision in prior year	227	–
– Provision for the year (note)	–	–
	–	–
Deferred tax	–	–
	227	–

Note:

For the year ended 31 March 2025 and 2024, one designated subsidiary of the Group incorporated in Hong Kong is eligible for the two-tiered profits tax rates regime, under which the first HK\$2,000,000 of estimated assessable profits is taxed at 8.25%, and the remaining estimated assessable profits are taxed at the standard rate of 16.5%. No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2025 as the Group did not generate any assessable profit arising in Hong Kong during the year (2024: Nil).

At the end of the reporting period, the Group has estimated tax losses of HK\$58,942,000 (2024: HK\$48,149,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining HK\$9,725,000 (2024: HK\$7,944,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. INCOME TAX EXPENSE (continued)

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

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(13,128)	(15,683)
Tax at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	(2,166)	(2,588)
Tax effect of income not taxable for tax purpose	(1,116)	(12)
Tax effect of expense not deductible for tax purpose	307	1,134
Tax effect of temporary differences not recognised	1,368	265
Under-provision in prior year	227	–
Tax effect of tax losses not recognised	1,607	1,201
Income tax expense	227	–

11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment	263	1,675
Depreciation of right-of-use assets	1,877	3,408
Auditor's remuneration	360	440
Cost of inventories sold	59,670	56,763
Impairment loss on deposits paid to suppliers (included in cost of inventories sold)	4,399	–
Net allowance for inventories (included in cost of inventories sold)	2,833	810
Staff costs including directors' emoluments		
– Salaries, bonuses and allowances	5,367	7,008
– Sale commission	185	228
– Retirement benefit scheme contributions	195	265
	5,747	7,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

- (a) The emoluments of each director and chief executive, disclosed pursuant to the applicable Listing Rules, were as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Name of director				
<i>Executive director:</i>				
Mr. Cheung Chun To (i)	–	–	–	–
<i>Independent non-executive directors:</i>				
Mr. Ngai Hoi Ying (ii)	6	–	–	6
Mr. Yue Kwai Wa Ken	66	–	–	66
Mr. Siu Shing Tak	66	–	–	66
Ms. Li Bo (iii)	60	–	–	60
Total for 2025	198	–	–	198
Name of director				
<i>Executive director:</i>				
Mr. Cheung Chun To (i)	–	500	8	508
<i>Independent non-executive directors:</i>				
Mr. Ngai Hoi Ying (ii)	66	–	–	66
Mr. Yue Kwai Wa Ken	66	–	–	66
Mr. Siu Shing Tak	66	–	–	66
Ms. Li Bo (iii)	–	–	–	–
Total for 2024	198	500	8	706

Notes:

- (i) Mr. Cheung Chun To is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.
- (ii) Mr. Ngai Hoi Ying has resigned from the position of non-executive directors with effect from 1 May 2024.
- (iii) Ms. Li Bo was appointed from the position of non-executive directors with effect from 1 May 2024.

During the year, Mr. Cheung Chun To, executive director of the Company, has agreed to waive his emoluments of HK\$1,200,000 (2024: HK\$700,000). Saved as disclosed above, there was no arrangement under which a director waived or agreed to waive any emoluments during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

(b) Five highest paid individuals' emoluments

No directors ranked among the top five highest-paid individuals (2024: 1), whose emolument is reflected in the analysis presented above. The emoluments of the remaining 5 (2024: 4) individuals are set out below:

	2025 HK\$'000	2024 HK\$'000
Salaries, bonuses and allowances	3,044	2,900
Retirement benefit scheme contributions	90	74
	3,134	2,974

The emoluments fell within the following band:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000	5	4

- (c) During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

14. 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 2025 is based on the loss for the year attributable to owners of the Company of approximately HK\$13,355,000 (2024: approximately HK\$15,683,000) and the weighted average number of ordinary shares of 554,333,333 (2024: 395,780,057) 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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office computers HK\$'000	Furniture, fixtures and equipment HK\$'000	Total HK\$'000
Cost				
At 1 April 2023	11,456	1,827	2,176	15,459
Additions	–	7	154	161
At 31 March 2024 and 1 April 2024	11,456	1,834	2,330	15,620
Additions	334	7	153	494
Write-off	(1,498)	(443)	(1,714)	(3,655)
Disposal of subsidiary	–	(331)	(304)	(635)
At 31 March 2025	10,292	1,067	465	11,824
Accumulated depreciation and impairment				
At 1 April 2023	9,858	1,609	1,907	13,374
Provided for the year	1,500	100	75	1,675
Impairment loss	30	–	–	30
At 31 March 2024 and 1 April 2024	11,388	1,709	1,982	15,079
Provided for the year	123	79	61	263
Write-off	(1,498)	(443)	(1,714)	(3,655)
Disposal of subsidiary	–	(306)	(105)	(411)
At 31 March 2025	10,013	1,039	224	11,276
Carrying amount				
At 31 March 2025	279	28	241	548
At 31 March 2024	68	125	348	541

The Group carried out reviews of the recoverable amount of certain property, plant and equipment due to the Group's impairment indicator for the years ended 31 March 2024. 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 property, plant and equipment of HK\$30,000 that has been recognised in profit or loss. The recoverable amount of the relevant property, plant and equipment of HK\$541,000 has been determined on the basis of their value in use. The discount rate used was 14.00% for the year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

At 31 March	2025 HK\$'000	2024 HK\$'000
Right-of-use assets – buildings	358	3,607
Lease commitments of short-term leases	–	90
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	1,047	3,720
– Between 1 and 2 years	167	1,280
– Between 2 and 5 years	56	–
	1,270	5,000
Year ended 31 March	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets – Buildings	1,877	3,408
Lease interest expenses	151	383
Expenses related to short-term leases	–	749
Total cash outflow for leases	2,233	4,468
Additions to right-of-use assets	460	–
Impairment loss on right-of-use assets	–	474

Lease agreements are typically made for fixed periods of 1-3 (2024: 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 due to the Group's impairment indicator for the years ended 31 March 2024. 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 that has been recognised in profit or loss. The recoverable amount of the relevant right-of-use assets has been determined on the basis of their value in use. The discount rate used was 14.00% for the year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. SUBSIDIARIES

The amounts due from subsidiaries/to a subsidiary are unsecured, interest-free and repayment on demand.

Particulars of the subsidiaries as at 31 March 2025 and 2024 are as follows:

Name	Place of incorporation/ registration	Place of operation	Issued and paid up/registered capital	Percentage of ownership interest/ voting power/profit sharing				Principal activities
				2025	2024	2025	2024	
				Direct	Indirect	Direct	Indirect	
Beyond Elite Limited	British Virgin Islands	Hong Kong	Ordinary US\$1	100%	–	100%	–	Investment holding
Major Cellar Company Limited	Hong Kong	Hong Kong	Ordinary HK\$10,000	–	100%	–	100%	Sale and distribution of premium wine and spirits products
Major Industrial Development Limited	Hong Kong	Hong Kong	Ordinary HK\$10,000	–	100%	–	100%	Inactive
Major Holdings HK Limited	Hong Kong	Hong Kong	Ordinary HK\$10,000	–	100%	–	100%	Inactive
Shenzhen Major Industrial Development Limited ^(#)	The People's Republic of China (the "PRC")	The PRC	Ordinary RMB10,000,000	–	100%	–	100%	Inactive
The Wine Cave Company Limited ^(*)	Hong Kong	Hong Kong	Ordinary HK\$20,700,000	–	–	–	100%	Trading of wine, wine storage and wine consignment services

^(#) The English name of the subsidiary of the Company referred herein represent the management's best efforts in translating the Chinese name of this company as no English name has been registered.

^(*) The Group disposed of its 100% equity interest in an indirect wholly owned subsidiary, The Wine Care Company Limited during the year. Please refer to note 29 for details.

Shenzhen Major Industrial Development Limited is a wholly-owned foreign enterprise established in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Premium wine and spirits products	30,918	62,500
Wine accessory products	549	867
	31,467	63,367

The costs of inventories recognised as expenses and included in "cost of sales" in the consolidated income statement amounted to approximately HK\$62,503,000 (2024: HK\$57,573,000).

The Group made inventory provision for obsolete inventories and write-down of the inventories to realisable value. As at 31 March 2025, there is a provision of HK\$5,268,000 (2024: HK\$2,435,000) netted off with the inventories in the consolidated statement of financial position. A provision for write-down of inventories of HK\$2,833,000 (2024: HK\$810,000) was included in cost of sales in the consolidated statement of profit or loss and other comprehensive income.

19. TRADE RECEIVABLES

Sales to customers are normally made with credit terms of 0 to 120 days. Generally, no credit period is offered to walk-in customers at retail shops. Credit period is 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.

	2025 HK\$'000	2024 HK\$'000
Trade receivables	12,361	26,015
Provision for loss allowance	(4,422)	(10,843)
Carrying amount	7,939	15,172

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

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	160	4,420
31 to 60 days	172	436
61 to 90 days	552	439
91 to 120 days	953	2,120
121 to 180 days	1,462	3,465
181 to 365 days	283	3,547
Over 365 days	4,357	745
	7,939	15,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. TRADE RECEIVABLES (continued)

Reconciliation of loss allowance for trade receivables:

	2025 HK\$'000	2024 HK\$'000
At 1 April	10,843	6,406
(Reversal of)/impairment, net	(6,421)	4,437
At 31 March	4,422	10,843

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Tax indemnity receivables from shareholders (note)	3,817	3,817
Prepayments and other receivables	1,778	1,080
Deposits paid to suppliers	58,956	20,573
Rental and utilities deposits	288	889
Other deposits	23	38
	64,862	26,397

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. AMOUNT DUE FROM A RELATED PARTY

Amounts due from a related company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance are as follows:

Name	Name of common director	Balance at 31 March 2024 HK\$'000	Balance at 31 March 2025 HK\$'000	Maximum amount outstanding during the year HK\$'000
The Wine Cave Company Limited	Mr. Cheung Chun To*	–	1,147	1,263

All the above advances are unsecured, interest-free and repayment on demand.

The above amounts have been arrived at after deducting impairment losses of HK\$116,000 (2024: HK\$ Nil).

* Mr. Cheung Chun To, the executive director of the Company, is a director of The Wine Cave Company Limited.

22. BANK AND CASH BALANCES

	2025 HK\$'000	2024 HK\$'000
HK\$	11,514	26,450
Renminbi	2	–
	11,516	26,450

23. TRADE PAYABLES

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

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	730	667
31 to 60 days	–	67
61 to 365 days	776	1,152
Over 365 days	2,368	851
	3,874	2,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. CONTRACT LIABILITIES

Disclosures of revenue-related item:

At	31 March 2025 HK\$'000	31 March 2024 HK\$'000
Contract liabilities	2,388	3,769

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:

	31 March 2025	31 March 2024
– 2025	N/A	3,769
– 2026	2,388	–
	2,388	3,769
Year ended 31 March	2025 HK\$'000	2024 HK\$'000
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	3,281	5,518

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.

Contract liabilities has decreased by HK\$1,381,000 (2024: HK\$2,192,000) was attributable to reduced advance orders from customers, reflecting a lower level of operational activity in the Group's wine trading segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	1,047	3,720	1,011	3,536
In the second to fifth years, inclusive	223	1,280	214	1,259
Less: Future finance charges	1,270 (45)	5,000 (205)		
Present value of lease obligations	1,225	4,795	1,225	4,795
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,011)	(3,536)
Amount due for settlement after 12 months (shown under non-current liabilities)			214	1,259

As at 31 March 2025, the average effective borrowing rate was 5.78% (2024: 5.78%) p.a.. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

26. SHARE CAPITAL

		Number of shares '000	Total HK\$'000
Authorised:			
At 1 April 2023 (Ordinary shares of HK\$0.00125 each)		8,000,000	10,000
Share Consolidation	Note (i)	(7,200,000)	–
At 31 March 2024, 1 April 2024 and 31 March 2025 (Ordinary shares of HK\$0.0125 each)		800,000	10,000
Issued and fully paid:			
At 1 April 2023 (Ordinary shares of HK\$0.00125 each)		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, 1 April 2024 and 31 March 2025 (Ordinary shares of HK\$0.0125 each)		554,333	6,929

All issued shares rank pari passu in all respects with each other.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. SHARE CAPITAL (continued)

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed shares during the years ended 31 March 2025 and 2024.

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 lease liabilities as disclosed in note 25 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investments in subsidiaries	17	89,136	107,325
Current assets			
Prepayments and other receivables		68	342
Amounts due from subsidiaries	17	14,123	15,926
Bank and cash balances		163	185
		14,354	16,453
Current liabilities			
Other payables		239	704
Amount due to a subsidiary	17	105	105
		344	809
Net current assets		14,010	15,644
NET ASSETS		103,146	122,969
Capital and reserves			
Share capital	26	6,929	6,929
Reserves	28	96,217	116,040
TOTAL EQUITY		103,146	122,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) The Company

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	197,993	(92,338)	105,655
Loss and total comprehensive expense for the year	–	(15,683)	(15,683)
Transaction costs attributable to rights issue	(1,316)	–	(1,316)
Issue of ordinary shares by rights issue	27,384	–	27,384
At 31 March 2024 and 1 April 2024	224,061	(108,021)	116,040
Loss and total comprehensive expense for the year	–	(19,823)	(19,823)
At 31 March 2025	224,061	(127,844)	96,217

(c) Nature and purpose of reserves of the Group and the Company

Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. DISPOSAL OF SUBSIDIARY

Pursuant to the share purchase agreement dated 1 August 2024 entered into between the Group and an independent third party, the Group disposed of its 100% equity interests in an indirect wholly-owned subsidiary, The Wine Cave Company Limited for a consideration of approximately HK\$800,000.

The net assets and liabilities of The Wine Cave Company Limited one the date of disposal were as follows:

	HK\$'000
Property, plant and equipment	224
Right-of-use assets	1,832
Trade receivables	518
Prepayments, deposits and other receivables	167
Bank and cash balances	961
Current tax assets	39
Trade payables	(376)
Contract liabilities	(622)
Other payables	(12)
Lease liabilities	(1,948)
Net assets disposed of	783
Gain on disposal of subsidiary	17
Satisfied by cash consideration received	800
Net cash flow arising on disposal:	
Cash consideration received	800
Bank and cash balances disposal of	(961)
	(161)

The gain on the disposal of subsidiary was included in the other losses, net in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Due to a director HK\$'000	Bank borrowings HK\$'000	Lease liabilities HK\$'000	Total liabilities from financing activities HK\$'000
At 1 April 2023	2,000	4,000	8,131	14,131
Changes in cash flows				
– Financing activities	(2,000)	(4,165)	(3,336)	(9,501)
– Operating activities	–	–	(383)	(383)
– Interest charged	–	165	–	165
Non-cash changes				
– Interest charged	–	–	383	383
At 31 March 2024 and 1 April 2024	–	–	4,795	4,795
Changes in cash flows				
– Financing activities	–	–	(2,082)	(2,082)
– Operating activities	–	–	(151)	(151)
Non-cash changes				
– Interest charged	–	–	151	151
– Additions	–	–	460	460
– Disposal of subsidiary	–	–	(1,948)	(1,948)
At 31 March 2025	–	–	1,225	1,225

31. CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any significant contingent liabilities (2024: Nil).

32. RELATED PARTY TRANSACTIONS

(a) Parent entities

The Group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			2025	2024
Silver Tycoon Limited	Ultimate parent entity and controlling party	BVI	54.10%	54.10%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with other related parties

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
Sales to Mr. Cheung Chun To		49	5
Sales to Ms. Jade Cheung Wing Shun	(i)	41	22
Sales to Major Times (HK) Co Limited	(ii)	6	8
Sales to The Wine Cave Company Limited	(iii)	626	—
Rental paid in respect of warehouse paid or payable to Health Sunrise Limited	(iv)	(800)	(2,400)
Rental paid in respect of office paid or payable to Major Talent Limited	(v)	(1,320)	(1,320)

Notes:

- (i) Ms. Jade Cheung Wing Shun, is the sister of Mr. Cheung Chun To, the executive director of the Company.
- (ii) Major Times (HK) Co Limited is a private limited company, which is wholly owned and controlled by Mr. Cheung Chun To, the executive director of the Company.
- (iii) The Wine Cave Company Limited was a subsidiary of the Group up to 1 August 2024. Mr. Cheung Chun To, the executive director of the Company, held directorship in The Wine Cave Company Limited after the Group disposed its interests in The Wine Cave Company Limited.
- (iv) Health Sunrise Limited is a private limited company, which is wholly owned and controlled by Mr. Cheung Chun To, the executive director of the Company.
- (v) Major Talent Limited is a private limited company, which is wholly owned and controlled by Mr. Cheung Chun To, the executive director of the Company.

(c) Key management personnel remuneration

	2025 HK\$'000	2024 HK\$'000
Directors' fees	198	198
Salaries, allowances and benefits in kind	1,260	1,280
Retirement benefit scheme contributions	36	26
	1,494	1,504

33. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to conform to the current year's presentation.

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the board of directors on 13 June 2025.

FINANCIAL SUMMARY

For the year ended 31 March 2025

RESULTS

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	114,587	107,789	74,443	63,039	58,025
Loss before tax	(5,578)	(4,761)	(16,631)	(15,683)	(13,128)
Income tax (expense)/credit	543	(3,953)	37	–	(227)
Loss for the year	(5,035)	(8,714)	(16,594)	(15,683)	(13,355)

ASSETS AND LIABILITIES

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	174,652	173,348	132,362	135,947	117,837
Total liabilities	(39,531)	(46,941)	(22,549)	(12,978)	(8,223)
Total equity	135,121	126,407	109,813	122,969	109,614