

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this prospectus, you should consult your stockbroker, a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Major Holdings Limited, you should at once forward the Prospectus Documents, to the purchaser(s) or the transferee(s) or to the stockbroker, bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.



美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1389)

**RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY THREE (3) SHARES
HELD ON THE RECORD DATE**

Financial adviser to the Company



Placing Agent to the Placing



Capitalised terms used in this cover page shall have the same meanings as those defined in this prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Thursday, 1 February 2024. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 16 February 2024 to Friday, 23 February 2024 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Placing Agreement is terminated by the Placing Agent or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 16 February 2024 to Friday, 23 February 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 28 February 2024. The procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares are set out on pages 17 to 20 of this prospectus.

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 14 December 2023 in relation to, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the issued Shares for trading from 4,000 Shares to 12,000 Shares

DEFINITIONS

“Circular”	the circular issued by the Company dated 12 January 2024 in relation to, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies Registry”	Companies Registry of Hong Kong
“Company”	Major Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1389)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened and held at which resolutions were proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“Executive”	The Executive Director of the Corporate Finance Division of the SFC or its delegate
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholders other than (i) the Underwriter, Mr. Cheung, Ms. Lin or parties acting in concert with any of them; and (ii) those who are involved or have interests in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver and required under the Listing Rules and/or the Takeovers Code (as the case may be) to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), who are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Intermediary(ies)”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owners’ bank(s), broker(s), custodian(s), nominee(s) or other relevant person(s) who is a CCASS participant or who has/have deposited the beneficial owner’s Shares with a CCASS participant
“Irrevocable Undertakings”	the irrevocable undertaking dated 14 December 2023 (as supplemented by the supplemental undertaking dated 3 January 2024) by the Underwriter to the Company as set out in the paragraph headed “The Irrevocable Undertaking” in the “Letter from the Board” of this prospectus
“Last Trading Day”	13 December 2023, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement

DEFINITIONS

“Latest Practicable Date”	5 February 2024, being the latest practicable date for ascertaining certain information for inclusion in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 28 February 2024 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Placing Termination”	5:00 p.m. on Wednesday, 28 February 2024 or such later time or date as may be agreed between the Placing Agent and the Company, being the latest time to terminate the Placing Agreement
“Latest Time for Underwriting Termination”	4:00 p.m. on Tuesday, 5 March 2024 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheung”	Mr. Cheung Chun To, the chairman and chief executive officer of the Company and an executive Director
“Ms. Lin”	Ms. Lin Shuk Shuen, the spouse of Mr. Cheung
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who does (do) not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed)
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholder(s) in connection with the Rights Issue

DEFINITIONS

“Placing”	arrangements to place the Unsubscribed Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	Lego Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activities, which will place the Unsubscribed Shares to investors who are Independent Third Parties under the Unsubscribed Arrangements
“Placing Agreement”	the placing agreement dated 14 December 2023 (as supplemented by a supplemental agreement dated 3 January 2024) entered into between the Company and the Placing Agent in relation to the Placing
“Placing End Date”	5 March 2024, being the fourth (4th) Business Day following the day on which the Latest Time for Acceptance falls
“Placing Period”	the period from 29 February 2024 up to 5:00 p.m. on 5 March 2024, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	not less than HK\$0.136 per Unsubscribed Share
“PRC”	the People’s Republic of China, which for the purpose of this prospectus excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Wednesday, 14 February 2024 (or such other date as may be determined by the Company), being the date of the Prospectus Documents to be made available and/or sent (as the case maybe) to the Qualifying Shareholders (or in the case of the Excluded Shareholder(s), the Prospectus only)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date

DEFINITIONS

“Record Date”	Friday, 9 February 2024, the record date for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Investor Services Limited, the address of which is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue by way of rights of two (2) Rights Shares for every three (3) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the paragraph headed “Conditions of the Rights Issue” in the “Letter from the Board” of this prospectus
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue, being 221,733,332 Shares (assuming no other change in the number of issued Shares from the Latest Practicable Date up to and including the Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issue and unissued share capital of the Company
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Shares of HK\$0.00125 each into one (1) Share of HK\$0.0125
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.136 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong

DEFINITIONS

“Underwriter”	Silver Tycoon Limited, a limited liability company incorporated in the British Virgin Islands and wholly-owned by Mr. Cheung, the chairman and chief executive officer of the Company and an executive Director
“Underwriting Agreement”	the underwriting agreement dated 14 December 2023 (as supplemented by a supplemental agreement dated 3 January 2024) entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares to be underwritten by the Underwriter, being in maximum up to 156,676,026 Rights Shares
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Shares by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Underwriter, Mr. Cheung or Ms. Lin or their respective concert parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Shares”	including those Rights Shares that are not subscribed by the Qualifying Shareholders; and/or all fractional Rights Shares that are not issued (as the case may be)
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Underwriter to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Underwriter and any parties acting in concert with it as a result of taking up of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

* For identification purpose only

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Rights Issue, the Placing Agreement and the Underwriting Agreement. All times and dates in this prospectus refer to the Hong Kong local times and dates.

Events	Hong Kong Date and Time 2024
Designated broker starts to stand in the market to provide matching services for odd lots of Shares and fully-paid Rights Shares	9:00 a.m. on Friday, 16 February
First day of dealings in nil-paid Rights Share	Friday, 16 February
Latest time for splitting the PAL	4:30 p.m. on Tuesday, 20 February
Last day of dealings in nil-paid Rights Shares	Friday, 23 February
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 28 February
Latest time for the termination of the Placing Agreement	5:00 p.m. on Wednesday, 28 February
Announcement of the number of the Unsubscribed Shares subject to the Unsubscribed Arrangements	Thursday, 29 February
Commencement of placing of the Unsubscribed Shares by the Placing Agent, on best effort basis	Thursday, 29 February
Placing End Date for placing the Unsubscribed Shares	Tuesday, 5 March
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 5 March
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares and fully-paid Rights Shares	4:00 p.m. on Thursday, 7 March
Announcement of allotment results of the Rights Issue	Monday, 11 March
Latest time for free exchange of existing share certificates for new share certificates	Monday, 11 March
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Tuesday, 12 March
Commencement of dealings in fully-paid Rights Shares	Wednesday, 13 March

EXPECTED TIMETABLE

Pursuant to Rule 2.07A of the Listing Rules and the articles of association of the Company, the Company will disseminate its corporate communications to its Shareholders by electronic means. A notice of the publication of the corporate communications will be provided to the Shareholders when the Company publishes any such corporate communications on its website and the Stock Exchange's website.

On 11 January 2024 and 12 January 2024, the Company sent the one-time notification letters to its registered and non-registered shareholders (being such person or company whose Shares are held in CCASS), respectively. For registered shareholders, the Company announced that a notice of publication of the corporate communications to be published on the website of the Company (www.majorcellar.com) and the Stock Exchange's website (www.hkexnews.hk) will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the corporate communications. It is the responsibility of the Shareholders to provide email address that is functional. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will act according to the above arrangements. The Company will be considered to have complied with the Listing Rules if it sends the corporate communications to the email address provided by a Shareholder without receiving any "non-delivery message". For non-registered shareholders, they should liaise with and provide the email address to their Intermediaries. If no functional email address has been provided from the Intermediaries via HKSCC, a printed form of the notice will be sent to them by post at their postal address as provided by HKSCC. Shareholders who wish to receive a printed copy of the corporate communications, should send a request in writing to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to is-ecom@hk.tricorglobal.com.

The Prospectus will be made available to the Shareholders by way of publication on the website of the Company (www.majorcellar.com) and the Stock Exchange's website (www.hkexnews.hk), and a notice will be sent to the relevant Shareholders by email or by post.

The PAL, as actionable corporate communication, shall be sent to the Qualifying Shareholders in printed form.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if:

- (i) tropical cyclone warning signal No. 8 (or above);
- (ii) "extreme conditions" caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or

EXPECTED TIMETABLE

- (iii) a “black” rainstorm warning
 - (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have any of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in this section above may be affected. Announcement will be made by the Company in such event. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing given to the Company at or prior to the Latest Time for Underwriting Termination, if (provided that for the purpose of the Underwriting Agreement if the date of the Latest Time for Underwriting Termination shall be a Business Day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong Special Administrative Region or a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon on that day, the date of the Latest Time for Underwriting Termination shall be the next Business Day on which no “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong Special Administrative Region or no tropical cyclone warning signal no. 8 or above or no “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon on that day):

- (i) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (iv) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue;

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Underwriting Termination) rescind the Underwriting Agreement.

TERMINATION OF THE UNDERWRITING AGREEMENT

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement.

If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



美捷滙控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1389)

Executive Director:

Mr. Cheung Chun To

Independent non-executive Directors:

Mr. Yue Kwai Wa Ken

Mr. Ngai Hoi Ying

Mr. Siu Shing Tak

Registered office:

Cricket Square,

Hutchins Drive,

P.O. Box 2681,

Grand Cayman, KY1-1111,

Cayman Islands

*Head office and principal place of business
in Hong Kong:*

Suite 1507, Tower 2, Silvercord,

30 Canton Road, Tsim Sha Tsui,

Kowloon, Hong Kong

14 February 2024

To the Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY THREE (3) SHARES HELD ON THE RECORD DATE

INTRODUCTION

References are made to the Announcement, the announcement of the Company dated 3 January 2024 and the Circular in relation to, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver.

The Share Consolidation was approved by the Shareholders at the EGM and became effective on 31 January 2024. At the EGM, the necessary resolutions for approving, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver were duly passed by the Independent Shareholders.

The purpose of this prospectus is to provide you with, among other things, further details of the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, together with the financial information and other general information of the Group.

* *For identification purpose only*

LETTER FROM THE BOARD

RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every three (3) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.136 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.131 per Rights Share
Number of Shares in issue as at the Latest Practicable Date and the Record Date	:	332,600,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	221,733,332 Rights Shares
Aggregate nominal value of the Rights Shares	:	Approximately HK\$2,771,667
Total number of Shares in issue upon completion of the Rights Issue	:	554,333,332 Shares
Gross proceeds from the Rights Issue	:	Approximately HK\$30.2 million before expenses
Underwriter	:	Silver Tycoon Limited, a company wholly and beneficially owned by Mr. Cheung

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

The maximum of 221,733,332 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 66.7% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 40.0% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon fulfillment of the following conditions:

- (i) the passing of all necessary resolutions to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. In particular, the Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder;
- (ii) the Share Consolidation and the Change in Board Lot Size becoming effective;
- (iii) the issue by the Stock Exchange of a certificate authorising the registration of, and the registration with the Companies Registry, respectively, of one copy of each of the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the Prospectus Documents having made available to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (v) the granting by the Listing Committee of the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (vii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (viii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and conditions; and
- (ix) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

LETTER FROM THE BOARD

All conditions set out above cannot be waived. As at the Latest Practicable Date, the above conditions (i), (ii) and (vi) had been satisfied. If any of the above conditions is not fulfilled at or prior to the Latest Time for Underwriting Termination, the Rights Issue will not proceed.

The Subscription Price

The Subscription Price of HK\$0.136 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 24.44% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 53.10% to the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on the Last Trading Day (after taking into account the effect of the Share Consolidation);
- (iii) a discount of approximately 51.77% to the average closing price per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.282 (after taking into account the effect of the Share Consolidation);
- (iv) a discount of approximately 50.90% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.277 (after taking into account the effect of the Share Consolidation);
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 21.24% represented by the theoretical diluted price of approximately HK\$0.228 to the benchmarked price of approximately HK\$0.290 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.290 per Share and the average closing price of the Shares in the 5 trading days immediately prior to the date of the Announcement of HK\$0.282 per Share) (after taking into account the effect of the Share Consolidation);
- (vi) a discount of approximately 58.79% to the consolidated net asset value per share attributable to the Shareholders as at 31 March 2023 of approximately HK\$0.330 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$109,813,000 as at 31 March 2023 as set out in the annual report of the Company for the year ended 31 March 2023 and 332,600,000 Shares in issue as at the Latest Practicable Date, assuming the Share Consolidation became effective on 31 March 2023; and

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- (vii) a discount of approximately 56.96% to the consolidated net asset value per share attributable to the Shareholders as at 30 September 2023 of approximately HK\$0.316 calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$105,102,000 as at 30 September 2023 as set out in the interim report of the Company for the six months ended 30 September 2023 and 332,600,000 Shares in issue as at the Latest Practicable Date, assuming the Share Consolidation became effective on 30 September 2023.

The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined taking into consideration (i) the recent market price of the Shares; (ii) the prevailing market conditions; (iii) the low trading volume of the Shares; and (iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the paragraph headed “Reasons for and benefits of the Rights Issue and use of proceeds” below. The Directors consider that the Subscription Price being at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors consider that, in view of the prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e., Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.131 per Rights Share.

Basis of provisional allotments

Under the Rights Issue, the basis of the provisional allotment will be two (2) Rights Shares for every three (3) Shares held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker’s cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs will be set out in the Prospectus.

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Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholders in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:00 p.m. on Wednesday, 28 February 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in “Expected Timetable” in this prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “TRICOR INVESTOR SERVICES LIMITED — A/C NO. 023” and crossed “ACCOUNT PAYEE ONLY”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 28 February 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 20 February 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, he/she/it should complete and sign Form B in the PAL(s) and forward the PAL(s) to the person to or through whom he/she/it is transferring his/her/its nil-paid rights. The transferee must then complete and sign Form C in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar to effect the transfer by no later than 4:00 p.m. on Wednesday, 28 February 2024. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

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The Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration requests received by the Registrar on or before the Latest Time for Acceptance and by all means before the announcement of the number of unsubscribed rights shares subject to the compensatory mechanism is posted on the Stock Exchange's website and the Company's website. The Registrar will notify the transferee(s) of any unsuccessful re-registration as soon as practicable.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in the "Letter from the Board" of this prospectus is not fulfilled at or before 4:00 p.m. on Wednesday, 28 February 2024, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on Tuesday, 12 March 2024. No receipt will be given for such remittance.

Cheques and banker's cashier orders

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL (as the case may be) is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners' instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares

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which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

Fractional entitlement to the Rights Shares

Rights Shares in provisional allotment will be rounded down to the nearest whole number. No fractional Rights Shares will be issued under the Rights Issue. All fractions of Rights Shares will be aggregated and first placed by the Placing Agent under the Unsubscribed Arrangements (see details set out in the paragraph headed “Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements” below) to Independent Third Parties for the benefit of the Company.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will make available the Prospectus Documents to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) be a Qualifying Shareholder.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

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Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on or about Tuesday, 12 March 2024 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

Refund cheques in respect of applications for Rights Shares if the Rights Issue is terminated are expected to be sent on or about Tuesday, 12 March 2024 by ordinary post to the applicants, at their own risk, to their registered addresses, or in case of joint applicants, to the address of the first-named person.

Application for listing in nil-paid and fully-paid forms

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lot of 12,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the rights shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, there are two Overseas Shareholders with registered addresses situated in the PRC. The total shareholding of the Overseas Shareholders represents approximately 27.76% of the total issued Shares as at the Latest Practicable Date. The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. Based on legal advice provided by the legal advisers as to PRC law engaged by the Company as at the Latest Practicable Date and having considered the circumstances, the Board is of the opinion that the relevant PRC legal restrictions and requirement of the relevant body or the Stock Exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered address in the PRC from the Rights Issue. Accordingly, the Rights Issue will be offered to the Overseas Shareholders in the PRC jurisdiction.

As at the Latest Practicable Date, there were no Excluded Shareholders. Since the registered of members is closed from Monday, 5 February 2024 to Friday, 9 February 2024, there will be no Excluded Shareholders as at the Record Date. Accordingly, there will be no Excluded Shareholders for the purpose of the Rights Issue.

Procedures in respect of the Unsubscribed Shares and the Unsubscribed Arrangements

Pursuant to Rule 7.21(2) of the Listing Rules, as the Underwriter, being a substantial shareholder, will act as the underwriter of the Rights Issue, the Company must make arrangements as stipulated in Rule 7.21(1)(b) of the Listing Rules to dispose of any Unsubscribed Shares by offering such Unsubscribed Shares to independent placees for the benefit of the relevant No Action Shareholders.

Any Unsubscribed Shares (which comprise (i) the fractional Rights Shares aggregated as described under the paragraph headed “Rights Issue — Fractional entitlement to the Rights Shares” above; and/or (ii) those Rights Shares that are not subscribed by the Qualifying Shareholders) will be first placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Underwriter, Mr. Cheung or Ms. Lin. Any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to those No Action Shareholders (except for the fractional Rights Shares which will be sold for the benefit of the Company). For the avoidance of doubt, the Placing Agent will place the Unsubscribed Shares in the seniority and order of the Rights Shares that are not subscribed by the Qualifying Shareholders the first, and the fractional Rights Shares the second. The Placing Agent will, pursuant to the terms of the Placing Agreement, procure, by no later than Tuesday, 5 March 2024, acquirers for all (or as many as possible) of those Unsubscribed Shares at a price not less than the Subscription Price. Any Unsubscribed Shares not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

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Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholders as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL; or
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS.

It is proposed that the Net Gain to any of the No Action Shareholder(s) mentioned above which is in an amount of HK\$100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares at the Placing Price. Any unplaced Unsubscribed Shares will then be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

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THE PLACING AGREEMENT

Principal terms of the Placing Agreement (as supplemented by a supplemental agreement dated 3 January 2024) are summarised below:

Placing Agent	:	Lego Securities Limited
Placing commission	:	3% of the actual gross proceeds from the subscription of the Unsubscribed Shares under the Placing
Placing Price	:	not less than HK\$0.136 per Unsubscribed Share
Placing Period	:	a period commencing from the first (1st) Business Day immediately after the Latest Time for Acceptance (i.e. 29 February 2024 under the current timetable) and ending on 5:00 p.m. on the fourth (4th) business day after the Latest Time for Acceptance
Places	:	The Unsubscribed Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Underwriter, Mr. Cheung or Ms. Lin or their respective concert parties

The Placing Agent will, on a best effort basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Underwriter, Mr. Cheung or Ms. Lin or their respective concert parties for all (or as many as possible) of the Unsubscribed Shares.

Conditions of the Placing Agreement

The Placing Agreement is conditional upon the following conditions:

- (i) the Share Consolidation and Change in Board Lot Size becoming effective;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares in their nil-paid and fully paid forms;
- (iii) the passing of all necessary resolutions to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver;

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- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion of the Placing, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

In the event the conditions of the Placing Agreement are not fulfilled on or before the Latest Time for Placing Termination (or such later date as may be agreed between the parties in writing), all rights, obligations and liabilities of the parties shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breach under the Placing Agreement prior to the termination of the Placing Agreement. As at the Latest Practicable Date, conditions (i) and (iii) had been fulfilled.

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to the Latest Time for Placing Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension (for more than seven trading days other than in connection with the Rights Issue) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or

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- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
- (iv) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
- (v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date upon completion of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) the Unsubscribed Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any places as contemplated in the Placing Agreement.

If (i) notice is given pursuant to termination clauses of the Placing Agreement; and/or (ii) all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nil-paid rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to the termination of the Placing Agreement.

The Placing Agent confirms that it is an Independent Third Party, and that there is no arrangement, agreement, understanding or undertaking with the Underwriter in relation to the Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As the Company has put in place the above Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

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THE IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date and on the Record Date, the Underwriter is interested in 97,585,960 Shares, representing approximately 29.34% of the Shares. Pursuant to the Irrevocable Undertaking, the Underwriter has unconditionally and irrevocably undertaken to the Company, (i) prior to the close of the Rights Issue, not to offer for sale, sell, transfer, contract to sell or otherwise dispose of any of (a) the 97,585,960 Shares ultimately beneficially held by the Underwriter as at the date of the Irrevocable Undertaking or (b) the nil-paid rights pertaining to the 65,057,306 Rights Shares provisionally allotted to the Underwriter; (ii) the 97,585,960 Shares registered in its name and/or under the name(s) of its nominee(s) as at the date of the Irrevocable Undertaking shall remain registered in its name and/or under the name(s) of its nominee(s) on the Record Date and until the close of the Rights Issue; (iii) to apply and pay for the Rights Shares which will be in the provisional allotment of Rights Shares in respect of the 97,585,960 Shares; and (iv) subject to compliance with the Takeovers Code, take all appropriate steps including but not limited to the engagement of a placing agent to procure subscribers (who are Independent Third Parties) to subscribe for the Shares which would otherwise be required to be taken up by the Underwriter under the Underwriting Agreement in order to restore the minimum public float requirement of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules, if the subscription for the Unsubscribed Shares by the Underwriter pursuant to the Underwriting Agreement will result in insufficient public float of the Company within the meaning of the Listing Rules.

Ms. Lin has indicated her intention to apply and pay for the Rights Shares which will be in the provisional allotment of Rights Shares in respect of the Shares held by her on the Record Date. Save for the Irrevocable Undertaking and Ms. Lin's intention as aforesaid, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

THE UNDERWRITING AGREEMENT

On 14 December 2023 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue, subject to the terms and conditions set out in the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter agreed to fully underwrite the Unsubscribed Shares.

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Principal terms of the Underwriting Agreement (as supplemented by a supplemental agreement dated 3 January 2024) are as follows:

Date : 14 December 2023

Parties : (i) The Company; and
(ii) The Underwriter, being the underwriter to the Rights Issue

The Underwriter is a substantial shareholder of the Company which beneficially holds 97,585,960 Shares, representing approximately 29.34% of the entire issued share capital of the Company as at the Latest Practicable Date. As such, the Underwriter complies with Rule 7.19(1)(b) of the Listing Rules.

Number of Rights Shares to be underwritten : The total number of the Unsubscribed Shares that have not been placed by the Placing Agent or have been placed to the placees but have not been paid therefor at 4:00 p.m. on the Placing End Date, being up to 156,676,026 Rights Shares, that is the maximum total number of Rights Shares issuable (assuming no change in the number of Shares in issue on or before the Record Date), excluding the 65,057,306 Rights Shares to be undertaken by the Underwriter pursuant to the Irrevocable Undertaking

Underwriting commission : Nil

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment or waiver, where permitted, of the following conditions:

- (a) the Share Consolidation and the Change in Board Lot Size becoming effective;
- (b) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;

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- (c) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;
- (d) the Prospectus Documents having made available to the Qualifying Shareholders by the Prospectus Posting Date and the Prospectus and a letter having made available to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (e) (i) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Underwriting Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days (other than any suspension pending clearance of the Announcement) and (ii) no indication being received on the Latest Time for Underwriting Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (f) there being no breach of any provision of the Underwriting Agreement by the Company at all times prior to the Latest Time for Underwriting Termination;
- (g) the representations and warranties of the Company referred to in the Underwriting Agreement remaining true and accurate and not misleading in all material respects at all times prior to the Latest Time for Underwriting Termination;
- (h) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares either unconditionally or subject to such conditions which the Company (with the approval of the Underwriter) accepts, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked;
- (i) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;

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- (j) the Independent Shareholders having approved at the EGM of (i) the Share Consolidation; (ii) the Rights Issue; (iii) the Placing Agreement; (iv) the Underwriting Agreement; and (v) the Whitewash Waiver no later than the Prospectus Posting Date. In particular, the Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder;
- (k) the compliance with and performance of the undertaking and obligation of the Underwriter, under the Irrevocable Undertaking;
- (l) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (m) the obligations of the Underwriter under the Underwriting Agreement not being terminated in accordance with the terms of the Underwriting Agreement at or before the Latest Time for Underwriting Termination.

Other than conditions (f) and (g) which can be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Underwriting Termination, all other conditions precedent above are incapable of being waived.

As at the Latest Practicable Date, conditions (a), (i) and (j) had been satisfied. If the conditions are not fully satisfied by the Latest Time for Underwriting Termination (or such other date as the Company and the Underwriter may mutually agree in writing) or if the Underwriting Agreement is rescinded or terminated pursuant to the terms thereof, all obligations and liabilities of the parties under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other for fees, costs, damages, compensation or otherwise, save for any antecedent breach of any obligation under the Underwriting Agreement.

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing given to the Company at or prior to the Latest Time for Underwriting Termination, if:

- (i) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

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- (ii) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (iv) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue;

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Underwriting Termination) rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement.

If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The gross proceeds from the Rights Issue are expected to be approximately HK\$30.2 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$29.0 million. The Company intends to apply the net proceeds from the Rights Issue by 31 March 2025 as follows:

- (i) approximately HK\$17.5 million for the setting up of a new retail shop in the PRC, in particular, (a) approximately HK\$3.0 million as startup cost for such shop, including renovation cost, rental expense and staff cost; and (b) approximately HK\$14.5 million for procurements of premium liquor for such PRC shop;

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- (ii) approximately HK\$9.7 million for procurements of high-end premium liquor for the Hong Kong business of the Group, including red wine, white wine and champagne; and
- (iii) approximately HK\$1.8 million for improvement of the online shop and IT infrastructure of the Group.

The Group is principally 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 showrooms, network of distributors, retail organisations, five-star hotels, and private clubs. Due to the complex global environment, such as the ongoing military conflict between Israel and Hamas, and Russia and Ukraine, global elevated high inflation and interest rate, the US-Sino trade war challenge, and intensified competition in premium wine industry, the overall business environment of the Group has been unstable and challenging. The Group recorded net loss attributable to owners of the Company of approximately HK\$16.6 million for the year ended 31 March 2023, and unaudited net loss attributable to owners of the Company of approximately HK\$4.7 million for the six months ended 30 September 2023. As at 30 September 2023, the Group recorded unaudited bank and cash balances of approximately HK\$6.4 million while bank borrowings of approximately HK\$2.7 million which are repayable within one year. Having considered the prevailing market condition and low level of cash on hand available to the Group, the Directors are of the view that the Rights Issue could provide sufficient funds at no borrowing costs for the Group's operation and the development and expansion of the Group's business.

Leveraging on the business network and the renowned brand of the Group in the liquor industry, the Group plans to establish a new retail shop in the PRC so as to grasp the business opportunity and tap into the growing liquor market in the PRC. In Hong Kong, the Group commonly encounters customers from the PRC looking for genuine premium liquor. According to the National Bureau of Statistic of the PRC, the revenue and profit generated by Chinese Baijiu enterprises (above designated size) in 2022 amounted to approximately RMB662.6 billion and RMB220.2 billion, respectively, representing a year-on-year increase of approximately 9.6% and 29.4%, respectively. In addition, according to Statista, a global data and business intelligence platform, the wine market and spirits market in the PRC are expected to grow annually by 2.55% and 2.28% from 2023 to 2028, respectively. Hence, the Group considers there is demand for its products in the PRC. As at the Latest Practicable Date, the Group has been exploring the potential location for the new retail store in Shenzhen or Guangzhou.

Further, in order to improve the financial performance of the Group, the Company plans to adjust its marketing strategy in Hong Kong by focusing more on high-end premium wine from countries such as Europe, North America and Japan, from which the wine generally may have higher profit margin. The Board is of the view that such high-end premium wine could help improve the performance of the Group. Moreover, in order to improve the customer experience, approximately HK\$1.8 million is allocated for

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the renovation of the flagship store of the Group and to improve the Group's online shop and IT infrastructure, respectively.

Fundraising alternatives

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

The Board is of the view that while additional debt financing will increase the gearing ratio of the Group and having considered the prevailing high interest rate environment, additional debts will increase the on-going interest expenses of the Group which may in turn further affect the profitability of the Group.

With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market. The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE UNDERWRITER

The Underwriter, Silver Tycoon Limited, is an investment holding company incorporated in the British Virgin Islands with limited liability and principally engaged in holding the Shares. As at the Latest Practicable Date, the Underwriter is wholly-owned by Mr. Cheung, the chairman and chief executive officer of the Company and an executive Director. Mr. Cheung is primarily responsible for overseeing and managing the overall operation of the Group, planning and executing the overall corporate strategies and developing and handling external relationship for the Group. Mr. Cheung has over 15 years of experience in the sales and distribution of premium wine and spirits products.

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In the event that the Underwriter becomes the controlling shareholder of the Company as a result of the taking up of the Underwritten Shares pursuant to the Underwriting Agreement, it is the intention of the Underwriter to continue the existing businesses of the Group. The Underwriter has no intention to introduce any major changes to the businesses of the Group (including any redeployment of the fixed assets of the Group) or terminate the continued employment of the employees of the Group.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and the Record Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares are placed to the independent placees (“**Scenario I**”); and (iv) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares and none of the Unsubscribed Shares are placed to the Placees and all the unplaced Unsubscribed Shares are subscribed by the Underwriter (“**Scenario II**”):

	As at the Latest Practicable Date and the Record Date		Immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders		Scenario I		Scenario II	
			No. of Shares	Approx. % (Note 2)	No. of Shares	Approx. % (Note 2)	No. of Shares	Approx. % (Note 2)
	The Underwriter ^(Note 1)	97,585,960	29.34	162,643,266	29.34	162,643,266	29.34	319,319,292
Ms. Lin ^(Note 1)	1,114,000	0.33	1,856,667	0.33	1,114,000	0.20	1,114,000	0.20
Sub-total of the Underwriter and parties acting in concert with it								
Zheng Huanming	98,699,960	29.67	164,499,933	29.67	163,757,266	29.54	320,433,292	57.80
Zhang Guangyuan	48,000,000	14.43	80,000,000	14.43	48,000,000	8.66	48,000,000	8.66
Zhang Guozhong	47,714,040	14.35	79,523,400	14.35	47,714,040	8.61	47,714,040	8.61
Zhang Guozhong	44,600,000	13.41	74,333,333	13.41	44,600,000	8.05	44,600,000	8.05
Independent placees	-	-	-	-	156,676,026	28.26	-	-
Other public Shareholders	93,586,000	28.14	155,976,666	28.14	93,586,000	16.88	93,586,000	16.88
Total	332,600,000	100.00	554,333,332	100.00	554,333,332	100.00	554,333,332	100.00

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Notes:

1. As at the Latest Practicable Date and the Record Date, Mr. Cheung beneficially owns the entire shareholding interests in Silver Tycoon Limited, the Underwriter. Therefore, Mr. Cheung is deemed to be interested in the 97,585,960 Shares held by Silver Tycoon Limited. Ms. Lin, being the spouse of Mr. Cheung, beneficially owns 1,114,000 Shares. By virtue of the SFO, Mr. Cheung is deemed to be interested in an aggregate 98,699,960 Shares.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

The Company will continue to comply with the public float requirements, being not less than 25% of the total issued share capital of the Company under Rule 8.08 of the Listing Rules, at all times and take appropriate steps/measures to ensure sufficient public float of the Shares (if necessary). The Underwriter has undertaken to the Company under the Irrevocable Undertaking that if the subscription for the Unsubscribed Shares by the Underwriter pursuant to the Underwriting Agreement will result in insufficient public float of the Company within the meaning of the Listing Rules, the Underwriter will, subject to compliance with the Takeovers Code, take all appropriate steps including but not limited to the engagement of a placing agent to procure subscribers (who are Independent Third Parties) to subscribe for the Shares which would otherwise be required to be taken up by the Underwriter under the Underwriting Agreement in order to restore the minimum public float requirement of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the fully-paid Rights Shares arising from the Rights Issue, the Company has appointed Lego Securities Limited to stand in the market to provide matching services for sale and purchase of odd lots of the fully-paid Rights Shares on a best effort basis for the holders of odd lots of Shares during the period from 9:00 a.m. on Friday, 16 February 2024 to 4:00 p.m. on Thursday, 7 March 2024 (both days inclusive).

Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers. Details of the odd lot arrangement will be provided in the Prospectus.

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LISTING RULES IMPLICATIONS

Rights Issue

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the Latest Practicable Date, the Company has no controlling shareholder as defined under the Listing Rules. Mr. Cheung, the chairman and chief executive officer of the Company and an executive Director, beneficially controls 986,999,600 Existing Shares in aggregate, representing approximately 29.67% of the entire issued share capital of the Company, and accordingly, Mr. Cheung and his associates, including the Underwriter and Ms. Lin had abstained from voting in favour of the proposed resolution to approve the Rights Issue at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. No other Directors are interested in the Shares as at the Latest Practicable Date. Save for Mr. Cheung, the Underwriter and Ms. Lin, no other Shareholder is required to abstain from voting on the relevant resolution at the EGM.

The Rights Issue has been approved by the Independent Shareholders at the EGM held on 29 January 2024 and the Mr. Cheung, the Underwriter and Ms. Lin had abstained from voting in favour of the Rights Issue at the EGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed “Conditions of the Rights Issue”, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms; and the Executive having granted the Whitewash Waiver to the Underwriter. Accordingly, the Rights Issue may or may not proceed.

Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus. In case of any inconsistency between the English and Chinese versions of this prospectus, the English version will prevail.

For and on behalf of the Board
Major Holdings Limited
CHEUNG Chun To
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the years ended 31 March 2021, 2022 and 2023, and the unaudited consolidated financial information of the Group for the six months ended 30 September 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.majorcellar.com):

- (i) the audited financial information of the Group for the year ended 31 March 2021 is disclosed in the annual report of the Company for the year ended 31 March 2021 published on 25 June 2021
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0625/2021062500864.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 March 2022 is disclosed in the annual report of the Company for the year ended 31 March 2022 published on 11 July 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0711/2022071100498.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report of the Company for the year ended 31 March 2023 published on 6 July 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0706/2023070600759.pdf>);
and
- (iv) the unaudited financial information of the Group for the six months ended 30 September 2023 is disclosed in the interim report of the Company for the six months ended 30 September 2023 published on 30 November 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1130/2023113000841.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business of 31 December 2023, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the publication of this prospectus, the details of the Group's indebtedness were as follows:

Bank borrowings

As at the close of business on 31 December 2023, the Group had unsecured import loans of approximately HK\$1,214,000, which was guaranteed by the Company.

Lease liabilities

As at the close of business on 31 December 2023, the Group had lease liabilities of approximately HK\$5,646,000.

Save as disclosed above and for intra-group liabilities, the Group did not have any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 31 December 2023.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances, after taking into account the financial resources presently available to the Group including internally generated funds, the currently available banking facilities and other borrowings and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the publication of this prospectus.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in the Circular, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 March 2023, the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is principally 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 showrooms, network of distributors, retail organisations, five-star hotels, and private clubs.

According to the Report from Trading Economics in September 2023, retail sales in Hong Kong increased by 10.1% year-on-year in September of 2023, slowing from an 11% rise in the previous month. This was the smallest gain since January 2023. The retail trade growth for department stores also slowed from 11.4% in August 2023 to 9.2% in September 2023. According to the report from Hong Kong Census and Statistics Department, the year-on-year percentage change in sales of other consumer goods increased from 26.2% in August 2023 to 32.6% in September 2023, while the year-on-year percentage change in sales of food, alcoholic drinks and tobacco rebounded sharply from -3.7% in August 2023 to 13.1% in September 2023. On a monthly basis, retail sales decreased 2% in September 2023, slipping further from a revised 1.6% drop in August 2023. According to the Trading Economics global macro models and analysts expectations, the year-on-year growth of retail sales in Hong Kong is expected to be 12% by the end of the third quarter in 2023. In the long-term, the year-on-year growth of retail sales in Hong Kong is projected to be around 2.1% in 2024 and 2.4% in 2025.

As released by the “Report on Monthly Survey of Retail Sales” in September 2023 by the Census and Statistics Department, the value of total retail sales by type of retail outlet increased from approximately HK\$254.8 billion for the nine months ended 30 September 2022 to approximately HK\$302.3 billion for the nine months ended 30 September 2023, representing an increase of approximately 18.6%. For alcoholic drinks and tobacco segment, the value of total retail sales increased from approximately HK\$1.3 billion for the nine months ended 30 September 2022 to approximately HK\$2.7 billion for the nine months ended 30 September 2023, representing an increase of approximately 202.0%.

Leveraging on the business network and the renowned brand of the Group in the liquor industry, the Group plans to establish a new retail shop in the PRC so as to grasp the business opportunity and tap into the growing liquor market in the PRC. In Hong Kong, the Group commonly encounters customers from the PRC looking for genuine premium liquor. According to the National Bureau of Statistic, revenue and profit generated by Chinese white wine enterprises (above designated size) in 2022 amounted to approximately RMB662.6 billion and RMB220.2 billion, respectively, representing a year-on-year increase of approximately 9.6% and 29.4%, respectively. In addition, according to the “Wine: Market data and Analysis” report issued by Statista in November 2023, a global data and business intelligence platform, the wine market and spirits market in the PRC are expected to grow annually by 2.55% and 2.28% from 2023 to 2028, respectively. In particular, according to the Statista report, it is noted that (i) demand of wine in Hong Kong market has shifted towards higher quality and premium wines as consumers are becoming more knowledgeable about wine and are willing to spend more on high-end products; and (ii) due to the cultural factor in China, consumers are willing to spend more on high-quality wines for gifting purpose and has contributed to the growth of the premium wine segment in China.

Red wine continued to be the Group’s core product type and main source of revenue driver. In response to the challenging retail market in Hong Kong, the Group will continue to improve its sales and marketing channels, adjust its sales and marketing strategies and customize its inventory portfolio.

Looking forward, despite the uncertain worldwide economic environment, in light of the growing demand for premium wine in Hong Kong and China, the Group is confident to position itself as one of the Hong Kong’s main premium wine retailers. The Group will continue to seek for new business opportunities from time to time in order to diversify its business and enhance the long-term growth potential of the Group and its shareholders’ value.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 September 2023.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 September 2023, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 <i>(Note 1)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2023 HK\$'000
105,102	29,000	134,102
Unaudited consolidated net tangible asset per Share before completion of the Rights Issue <i>(Note 3)</i>		HK\$0.32
Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue <i>(Note 4)</i>		HK\$0.24

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 are based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2023 as set out in the published interim report of the Group for the six months end 30 September 2023.
2. The estimated net proceeds from the Rights Issue of approximately HK\$29,000,000 are based on the 221,733,332 Rights Shares to be issued at the Subscription Price of HK\$0.136 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,156,000, assuming that the Rights Issue had been completed on 30 September 2023.
3. The calculation is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$105,102,000 divided by 332,600,000 Shares as if the Share Consolidation had occurred on 30 September 2023.
4. The calculation is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2023 of approximately HK\$134,102,000 divided by total number of Shares as enlarged by the issue of the Rights Shares of 554,333,332 which is arrived at on the basis that 332,600,000 Shares in issue and 221,733,332 Rights Shares to be issued upon completion of the Rights Issue, as if the Share Consolidation and Rights Issue had been completed on 30 September 2023.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



ZHONGHUI ANDA CPA Limited
Certified Public Accountants

14 February 2024

The Board of Directors
Major Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Major Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 September 2023 as set out on pages II-1 to II-2 of the prospectus (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible assets as at 30 September 2023 as if the transaction had been taken place at 30 September 2023. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2023, on which no review report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and benefits of the Rights Issue and use of proceeds" set out on pages 31 to 33 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Yeung Hong Chun

Practising Certificate Number P07374

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company, assuming no further issue or repurchase of the Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, (i) as at the Latest Practicable Date; and (ii) immediately following the allotment and issue of the Rights Shares will be as follows:

(i) As at the Latest Practicable Date

HK\$

Authorised:

800,000,000 Shares of HK\$0.0125 each	10,000,000
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Issued and paid-up share capital:

332,600,000 Shares of HK\$0.0125 each	4,157,500
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(ii) Immediately after the completion of the Rights Issue (assuming no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue):*Authorised:*

800,000,000 Shares of HK\$0.0125 each	10,000,000
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Issued and paid-up share capital:

332,600,000 Shares of HK\$0.0125 each	4,157,500
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221,733,332 Rights Shares to be allotted and issued upon completion of the Rights Issue	2,771,666
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554,333,332 Shares in issue immediately after completion of the Rights Issue	6,929,166
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All of the Shares and the Rights Shares when allotted, issued and fully paid, will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Shares and the Rights Shares to be issued will be listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations

As at the Latest Practicable Date, the interest and the short positions the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange; or (iv) were required to be disclosed under the Takeovers Code, were as follows:

Name of Director or chief executives	Capacity	Number of Shares	Approximate percentage of shareholdings
Mr. Cheung Chun To	Interest in controlled corporation (<i>Note 1</i>)	97,585,960	29.34%
Mr. Cheung Chun To	Interest of Spouse (<i>Note 1</i>)	1,114,000	0.34%

Note:

- Mr. Cheung beneficially owns the entire shareholding interests in Silver Tycoon Limited, the Underwriter. Therefore, Mr. Cheung is deemed to be interested in the 97,585,960 Shares held by the Underwriter. Ms. Lin, being the spouse of Mr. Cheung, beneficially owns 1,114,000 Shares. As a consequence, Mr. Cheung is deemed to be interested in 98,699,960 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the securities of the Company or its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, required pursuant to section 352 of the SFO to be entered in the register referred to therein or required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

Interest of substantial Shareholders

As at the Latest Practicable Date, 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) have 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 of substantial Shareholder	Capacity	Number of Shares	Approximate percentage of shareholdings
The Underwriter	Beneficial Owner (<i>Note 1</i>)	97,585,960	29.34%
Ms. Lin	Interest of Spouse and beneficial owner (<i>Note 2</i>)	98,699,960	29.68%
Mr. Zheng Huanming	Beneficial Owner	48,000,000	14.43%
Mr. Zhang Guangyuan	Beneficial Owner	47,714,040	14.35%
Mr. Zhang Guozhong	Beneficial Owner	44,600,000	13.41%

Notes:

1. Mr. Cheung beneficially owns the entire shareholding interests in Silver Tycoon Limited, the Underwriter. Therefore, Mr. Cheung is deemed to be interested in the 97,585,960 Shares held by the Underwriter.
2. Ms. Lin is the spouse of Mr. Cheung, by virtue of the SFO, is therefore deemed to be interested in all the Shares held/owned by Mr. Cheung (by himself and through the Underwriter), and together with the 1,114,000 Shares beneficially owned by her.

4. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 March 2023, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. Nevertheless, the Company entered into the Underwriting Agreement with Silver Tycoon Limited, the Underwriter, a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules. Mr. Cheung, the chairman and chief executive officer of the Company and an executive Director, wholly owns the Underwriter, and as such, may have conflict of interests in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. He has abstained from voting at the meeting of the Board convened to consider such matters.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling shareholders of the Company or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions, letters or advices included in this Prospectus:

Name	Qualifications
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited accounts of the Company were made up.

9. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group within the two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Placing Agreement;
- (ii) the supplemental placing agreement to the Placing Agreement;
- (iii) the Underwriting Agreement;
- (iv) the supplemental underwriting agreement to the Underwriting Agreement;
- (v) the Irrevocable Undertaking; and
- (vi) the supplement undertaking to the Irrevocable Undertaking.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	<p><i>Executive Director</i></p> <p>Mr. Cheung Chun To</p> <p><i>Independent non-executive Directors</i></p> <p>Mr. Yue Kwai Wa Ken</p> <p>Mr. Ngai Hoi Ying</p> <p>Mr. Siu Shing Tak</p>
Registered office	<p>Cricket Square, Hutchins Drive</p> <p>P.O. Box 2681 Grand Cayman, KY1-1111</p> <p>Cayman Islands</p>
Principal place of business in Hong Kong	<p>Suite 1507, Tower 2, Silvercord</p> <p>30 Canton Road, Tsim Sha Tsui</p> <p>Kowloon, Hong Kong</p>

Authorised representatives	Mr. Cheung Suite 1507, Tower 2, Silvercord 30 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
	Mr. Sin Chi Keung Suite 1507, Tower 2, Silvercord 30 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
Company secretary	Mr. Sin Chi Keung (HKICPA)
Auditors and reporting accountants	ZHONGHUI ANDA CPA Limited <i>Certified Public Accountants</i> 23/F, Tower 2 Enterprise Square Five 38 Wang Chiu Road, Kowloon Bay, Kowloon Hong Kong
Principal bankers	DBS Bank (Hong Kong) Limited G/F, The Center, 99 Queen's Road Central Central, Hong Kong
	Shanghai Commercial Bank Limited 666 Nathan Road, Mongkok Kowloon, Hong Kong
	Standard Chartered Bank (Hong Kong) Limited 4-4A, Des Voeux Rd. C., Hong Kong
	China Construction Bank (Asia) Corporation Limited 3-3A, Humphreys Avenue, Tsim Sha Tsui Kowloon, Hong Kong
	Fubon Bank (Hong Kong) Limited G/F, Fubon Bank Bldg, 38 Des Voeux Road Central Central, Hong Kong
Hong Kong share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong

Legal adviser to the Company in relation to the Rights Issue	<i>As to Hong Kong law</i> Robertsons 57/F., The Center 99 Queen's Road Central Hong Kong
Financial adviser to the Company	Lego Corporate Finance Limited Room 1601, 16/F, China Building 29 Queen's Road Central, Hong Kong
Underwriter	Silver Tycoon Limited Suite 1507, Tower 2, Silvercord, 30 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
Ultimate beneficial owner of the Underwriter	Mr. Cheung
Principal members of the Underwriter's concert group	Mr. Cheung Suite 1507, Tower 2, Silvercord 30 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
	Ms. Lin Suite 1507, Tower 2, Silvercord 30 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
Director of the Underwriter	Mr. Cheung

11. EXPENSES

The expenses in connection with the proposed Rights Issue and the transactions contemplated respectively thereunder, including underwriting commission, financial advisory fees, legal fee, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.2 million, which are payable by the Company.

12. PARTICULARS OF DIRECTORS OF THE COMPANY

Executive Director

Mr. Cheung Chun To, aged 44, 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, PRC. 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 Chi Kin Joseph together founded Major Cellar Company Limited ("**Major Cellar**") and Mr. Cheung has been appointed as a director of Major Cellar since November 2009.

Independent non-executive Directors

Mr. Ngai Hoi Ying ("**Mr. Ngai**"), aged 66, an independent non-executive Director, was appointed to the Board on 30 December 2013. Mr. Ngai is the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. Ngai obtained an executive master in business administration from Tsinghua University, PRC in June 2011. Mr. Ngai is currently the president of Global World Investment (Group) Limited (寰宇投資(集團)有限公司) and the legal representative of Zhongshan City Golden Sun Aluminum Limited (中山市金日鋁業有限公司). He is also currently the honorary chairman of Federation of Hong Kong Chiu Chow Community Organization, the chairman of International Teochew Association of Zhongshan (中山潮人海外聯誼會) and the vice chairman of Tsinghua University EMBA Alumni Association of Hong Kong and the Macau Special Administrative Region (清華大學EMBA港澳同學會). Mr. Ngai was a member of the 10th and 11th National Committee of the Chinese People's Political Consultative Conference of the Guangdong Province, PRC. He was also appointed as the honorary president of the Central District Junior Police Call in 2009. During the years 2014-2019, he was also appointed as Central Advisory Board Member of the Senior Police Call Central Advisory Board. Mr. Ngai was awarded the MH Medal of Honor by the Hong Kong SAR Government in 2020.

Mr. Yue Kwai Wa Ken (“**Mr. Yue**”), aged 57, an independent non-executive Director, was appointed to the Board on 30 December 2013. Mr. Yue is the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Yue has approximately 24 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 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 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.

Mr. Siu Shing Tak (“**Mr. Siu**”), aged 39, an independent non-executive Director, was appointed to the Board 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. 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.

Business address of the Directors

The business address of the Directors is the same as the Company’s principal place of business in Hong Kong at Suite 1507, Tower 2 Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

13. FUNCTIONS OF THE AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Siu Shing Tak, who serves as the chairman of the Audit Committee, Mr. Yue Kwai Wa Ken and Mr. Ngai Hoi Ying. The background of each of the members of the Audit Committee are set out in the paragraph headed “12. PARTICULARS OF DIRECTORS OF THE COMPANY” in this appendix.

The primary duties of the Audit Committee are to review the financial systems of the Group; to review the accounting policy, financial position and financial reporting procedures of the Group, internal control and risk management systems of the Group; to communicate with external auditors; to assess the performance of internal financial and audit personnel; and to assess the internal controls of the Group.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to the paragraph headed “8. EXPERTS AND CONSENTS” in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.majorcellar.com) for a period of 14 days from the date of this Prospectus:

- (i) the letter from the Board, the text of which is set out on pages 13 to 37 of this Prospectus;
- (ii) the annual reports of the Company for each of the years ended 31 March 2021, 2022 and 2023 and the interim report of the Company for the six months ended 30 September 2023;

- (iii) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (iv) the material contracts referred to in the paragraph headed "9. MATERIAL CONTRACTS" in this appendix;
- (v) the written consent of the expert referred to in the paragraph headed "8. EXPERTS AND CONSENTS" in this appendix; and
- (vi) the Prospectus Documents.

17. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Sin Chi Keung, aged 61, joined the Group as Company Secretary and Chief Financial Officer on 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 held various senior management positions in listed companies of Hong Kong and PRC, and has gained more than 20 years of solid experience in corporate management, capital markets and financial management.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.
- (d) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- (e) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.