

**MAJOR HOLDINGS LTD:
THIS COMPANY HAS A HARD ROAD TO HOE**

As an important retailer of wines in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Major Holdings Ltd () (Code: 8209, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd) cannot be ranked very highly, but, having said that, one cannot sneeze at this little company's accomplishments over the past 29 months to August 31, 2013.

Major Holdings pitched its story in its Placing Prospectus, dated January 6, 2014, when its Management determined to Place 30 million, New Shares at the minimum price per share of \$HK1.00 and the maximum price per share of \$HK1.40.

It is stated at Pages 222 and 223 of the Prospectus, that, at the Placing Price Per Share of \$HK1.20, being the midpoint between \$HK1.00 and \$HK1.40, the Company would net about \$HK19.30 million, after paying total listing expenses of about \$HK16.70 million.

However, last Thursday night, it was announced that the Placing Price Per Share had been determined at \$HK1.10 and that the net proceeds would be only about \$HK16.30 million.

The net proceeds will be used for the following purposes, one was told:

- Approximately 70 percent – about \$HK11.40 million – to increase inventories of wines and spirits;
- Approximately 20 percent – about \$HK3.30 million – to expand points of sale by, inter alia, opening one new showroom; and,
- The remaining 10 percent – about \$HK1.60 million – to be tipped into the Working Capital Account.

In The Beginning

Major Holdings can trace its history back to December 27, 2007 – just seven years ago – with the incorporation in the HKSAR by Mr Joseph Leung Chi Kin () of Rouge and Blanc Wines Ltd ().

The purpose of this corporate entity was to sell wines, predominantly red (rouge) and while (blanc), under the style or business name of '*Major Cellar*'.

In 2008, Mr Cheung Chun To () plunked some money on the table and became a Substantial Shareholder of Rouge and Blanc Wines Ltd.

There followed the opening of what must have been the first showroom under the name of '*Major Cellar*' in September of 2008.

These two gentlemen, today, own 75 percent of the Issued and Fully Paid-Up Share Capital of Major Holdings, with Mr Joseph Leung Chi Kin, owning slightly fewer shares than Mr Cheung Chun To.

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