南強控股
AUSTRAX HOLDINGS

Austrax Capital Limited
Room 1201-1202 & 1212, West
Tower, Shun Tak Centre,Hong Kong

27 November 2026

To: Independent Board Committee

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFERS BY KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF MAX PREMIER LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF MAJOR HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY MAX PREMIER LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer, details of which are set out in the Composite Document dated 27 November 2026 jointly issued by the Offeror and the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

On 30 September 2026 (after trading hours), the Board was informed by the Offeror that the Vendor as vendor, the Vendor's Guarantor as guarantor and the Offeror as purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 298,092,515 Shares, representing approximately 53.77% of the total issued share capital of the Company as at 30 September 2026, for a total cash consideration of HKD102,163,000 (representing approximately HKD0.3428 per Sale Share).

On 12 October 2026, the Offeror and the Company jointly announced that the Completion took place on 5 October 2026. Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are in aggregate interested in 298,092,515 Shares, representing 53.77% of the total issued share capital of the Company. Save for the above, none of the Offeror and the parties acting in concert with it was interested in any other Shares.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Kingston Securities is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer at the Offer Price of HKD0.3428 per Offer Share in cash.

As at the Latest Practicable Date, the Company has 554,333,332 Shares in issue and the Company did not have any outstanding Shares, options, warrants, derivatives or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and had not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Company has established the Independent Board Committee, comprising Mr. Yue Kwai Wa Ken, Mr. Siu Shing Tak and Ms. Li Bo, being all the independent non-executive Directors, who have no direct or indirect interest in the Offer. The Independent Board Committee has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code for the purpose of advising and giving recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

We, Austrax Capital Limited ("**Austrax Capital**"), have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in this respect and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of Austrax Capital as the Independent Financial Adviser has been approved by the Independent Board Committee. Our role as the Independent Financial Adviser is to give our recommendation to the Independent Board Committee as to (i) whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Offer should be accepted. This letter sets out our analysis and recommendation for the Independent Board Committee in connection with its advice to the Independent Shareholders.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Group, the offeror or any of their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of commencement of the Offer Period, there were no other engagements between Austrax Capital and the Group or the Offeror or the parties acting in concert with any of them and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Group or the Offeror, their respective substantial or controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice to the Independent Board Committee in respect of the Offer.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained in or referred to in the Composite Document and the information and representations as provided to us by the Directors and the management of the Company (the "**Management**"). Our review procedures include, among others, review of the annual reports of the Company for the years ended 31 March 2024 (the "**2024 Annual Report**"), 31 March 2025 (the "**2025 Annual Report**") and 31 March 2026 (the "**2026 Annual Report**"), the Composite Document, relevant announcements published by the Company, the share price performance, the trading liquidity of the Company and comparable companies to the Company.

We have assumed that all information and representations that have been provided in this Composite Document are true, complete and accurate in all material respects at the time when they were made and up to the Latest Practicable Date and should there be any material changes thereto, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Shareholders accordingly. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Composite Document were reasonably made after due enquiries and careful considerations.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Composite Document, including this letter, misleading.

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in the Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL TERMS OF THE OFFER

As at the Latest Practicable Date, the Company had 554,333,332 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible or exchangeable into Shares or other relevant securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Kingston Securities is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it) on the following terms:

For each Offer Share ..... HKD0.3428 in cash

The Offer Price of HKD0.3428 per Offer Share is approximately the same as, but not lower than, the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including the rights to receive dividends or distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

The Company has confirmed that as at the Latest Practicable Date, (i) the Company had not declared any dividend which remained unpaid; and (ii) it did not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after the Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror will reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution receivable by the Independent Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

The Offer is unconditional in all respects. Independent Shareholders should refer to the "Letter from Kingston Securities" and Appendix I to the Composite Document for the complete terms and procedures for acceptance, including the acceptance deadline, settlement arrangements and applicable deductions.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee in relation to the terms of the Offer and as to acceptance, we have considered the principal factors and reasons as set out below:

1. Background information of the Group

(i) Principal business

The Company is incorporated in the Cayman Islands with limited liabilities and its shares are listed on the Main Board of the Stock Exchange (stock code: 1389). The Group is mainly engaged in the sales and distribution of premium wine and spirits products and wine accessory products in Hong Kong. Products of the Group mainly include red wine, white wine, sparkling wine, spirits, sake, wine accessory products and other products. The Group offers products through its retail shops, network of distributors, retail organisations, five-star hotels, and private clubs. The Group also provides wine storage services.

(ii) Historical Financial Information

Financial performance

Set out below is a summary of the audited consolidated financial results of the Group for the three years ended 31 March 2024, 31 March 2025 and 31 March 2026 ("**FY2024**", "**FY2025**" and "**FY2026**", respectively) and for the six months ended 30 September 2025 and 2026 ("**1H2025**" and "**1H2026**", respectively) as extracted from the 2024 Annual Report, the 2025 Annual Report, the 2026 Annual Report, 2025 Interim Report and 2026 Interim Report.

	FY2024	FY2025	FY2026	1H2025	1H2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
Revenue	63,039	58,025	52,761	25,023	48,202
– Red wine	47,623	45,841	43,927	21,833	28,597
– White wine	6,164	2,959	4,783	1,950	4,886
– Sparkling wine	2,248	1,828	2,169	4	29
– Spirit	6,888	7,072	1,851	1,048	14,353
– Wine accessory products	63	221	29	–	–
– Sake	47	100	–	–	–
– Others	6	4	2	188	337
Gross profit/(loss)	5,466	(8,877)	6,429	2,413	3,888
Loss and total comprehensive expense for the year attributable to owners of the Company	(15,683)	(13,355)	(1,853)	(1,997)	(1,252)

As shown in the above summary, the Group experienced a decreasing trend in revenue from approximately HKD63.0 million in FY2024 to approximately HKD52.8 million in FY2026, representing a negative CAGR of approximately 8.5%, and a rebound of revenue from HKD25.0 million for 1H2025 to HKD48.2 million for 1H2026, representing an increase of approximately 92.6%. We understand from the Management of the Group that the reason leading to the continuously decrease in revenue from FY2024 to FY2026 was mainly due to the change of consumption pattern of the customers after the end of COVID-19 as customers shift from retail stores to online selling platforms, and the rebound of revenue for the 1H2026 was mainly due to the result of more frequent sales promotions offered by the Group during the period to boost the sales which will be further explained below. Since the establishment of the Group, its business model mainly focuses on providing on site specialists in their retail stores with tailor made and in-depth explanation of its premium wine to their high-end customers, such change in the market consumption pattern has been continuously

affecting the Group's business. Moreover, the Group has been facing a challenge in the demand of wine in China market because of the overall consumption downgrading in past few years. To cope with the change in the consumption pattern noted by the Management, the Group has been developing its own online selling platform and launched in 2025, however, the result of the online selling platform is limited and only contributed less than 1% of total sale since it's a new model to the Group and its high-end customers.

FY2026 as compared to FY2025

Revenue of the Group decreased by approximately HKD5.2 million or 9.0% from approximately HKD58.0 million for the FY2025 to approximately HKD52.8 million for the FY2026. The decrease in revenue was primarily due to a reduction in sales of spirits of approximately HKD5.2 million, or 73.8%, together with a reduction in sales of red wine of approximately HKD1.9 million, or 4.2%. As discussed with the Management, the significant decrease in the sale of spirit was mainly due to the change of market preference. These decreases were partly offset by increases in sales of white wine and sparkling wine of approximately HKD1.8 million and HKD0.3 million, respectively. Accordingly, the revenue decline was concentrated primarily in spirits rather than occurring across all major product categories. Spirits' contribution to total revenue decreased from approximately 12.2% for FY2025 to approximately 3.5% for FY2026. Red wine remained the Group's principal revenue source, accounting for approximately 83.3% of total revenue for FY2026, compared with approximately 79.0% for FY2025. The major-customer disclosures in FY2026 Annual Report, also indicate changes in the composition of the Group's sales. One of the major customers of the Group (Customer B) contributed approximately HKD18.3 million, or 31.5% of total revenue, in FY2025, whereas its contribution did not exceed 10% of total revenue (equivalent to approximately HKD5.3 million) in FY2026.

The gross profit of the Group increased significantly from a gross loss of approximately HKD8.9 million for the FY2025 to a gross gain of approximately HKD6.4 million, representing an improvement of approximately HKD15.3 million. Accordingly, the Group's gross profit margin improved from approximately negative 15.3% for FY2025 to approximately positive 12.2% for FY2026. After discussing with the Management of the Group, such turnaround in gross profit was mainly due to two primary factors. Firstly, the overall weak market sentiment in the demand of premium wine in Hong Kong which is the niche market the Group positioned. The Management attributed the weak market sentiment in premium wine to the overall contraction of spending of customers in Hong Kong which was also demonstrated by the decreased in the revenue of the Group from FY2024 to FY2025 and further to FY2026. To tackle the weak market sentiment, the Group had implemented measurements including pricing the premium wine below cost to attract price sensitive customers in stores and also set up sales promotion events. As a result of the measurements, the costs of sales increased

above the total revenue and lead to a gross loss in FY2025. Secondly, the decrease in cost of sales for the FY2026 of approximately HKD20.6 million which was mainly due to the one-time off overall decrease in the purchase price of wine offered by the suppliers to the Group in order to response to the weak market sentiment and the generally decrease in price of wine in Hong Kong in the FY2025 which helped the gross margin of the Group to rebound in FY2026 consequently.

The Group recorded a loss of approximately HKD1.9 million for the FY2026, representing an improvement of loss of approximately HKD11.5 million, as compared to the loss of approximately HKD13.4 million for the FY2025. Such change was primarily contributed by the improvement in the gross profit for the FY2026 as mentioned above and lower aggregate cost of sales, rather than revenue growth. Although these developments improved the Group's reported financial performance, the Group remained loss-making for FY2026.

FY2025 as compared to FY2024

Revenue of the Group decreased by approximately HKD5.0 million or 7.9% from approximately HKD63.0 million for the FY2024 to approximately HKD58.0 million for the FY2025. Such decrease was mainly due to the decrease of the sales of wine, including red wine and white wine, from approximately HKD53.8 million for FY2024 to approximately HKD48.8 million for FY2025, representing a decrease of approximately HKD5.0 million or 9.3%.

The Group recorded a gross loss of approximately HKD8.9 million for the FY2025, representing a decrease of approximately HKD14.3 million in the gross profit as compared to a gross gain of approximately HKD5.5 million for the FY2024. According to its 2025 Annual Report, the significant decrease in gross profit was mainly due to the decrease in revenue and certain strategical sales and marketing activities implemented by the Group to cope with the wine market in the difficult and uncertain economic situation, including discounts offered to customers and some sales promotion events at below cost of the Group for the FY2025 to strengthen the cashflow of the Group in the midst of market uncertainties, according to the discussion with the Management.

Despite the decrease in revenue and gross loss, the Group recorded a loss of approximately HKD13.4 million for the FY2025, representing an improvement of HKD2.3 million, as compared to the loss of approximately HKD15.7 million for the FY2024. Such improvement was mainly contributed to the effort of the Group managed to decrease in the promotion, selling and distribution expense and administrative expense including but not limited to the decrease in the commission and payroll of the employees during the tough economic environment and the one-time off reversal of financial assets mainly consisted of reversal of loss allowance for trade receivables of approximately HKD6.4 million.

1H2026 as compared to 1H2025

Revenue of the Group increased by approximately HKD23.2 million or 92.8% from approximately HKD25.0 million for the 1H2025 to approximately HKD48.2 million for the 1H2026. The significant increase in revenue was primarily due to the increase in the sales of spirits of approximately HKD13.3 million, or 1,269.6% and the increase in the sales of red wine of approximately HKD6.8 million, or 31.0%. As discussed with the Management, the significant increase in the revenue for the 1H2026 was mainly due to the more frequent sales promotions offered by the Group during the period at a lower margin which was aimed to stimulate the sale volumes of the existing customers and to attract new customers. The Management also advised that the positive effect of the promotion taken by the Group during the period also demonstrated that the market environment is gradually improving.

The gross profit of the Group increased improved significantly from HKD2.4 million for the 1H2025 to HKD3.9 million for the 1H2026, representing an increment of approximately HKD1.5 million or 62.5%. The improvement in the gross profit was main due to the increased in the revenue driven by the sale promotion mentioned above. As the result of the sale promotion, there was a slightly decrease in gross profit margin from approximately 9.6% for the 1H2025 to 8.1% for the 1H2026 and the promotion, selling and distribution expense of the Group had increased by approximately HKD0.6 million or 26.4%, from approximately HKD2.3 million for 1H2025 to approximately HKD2.9 million for 1H2026 mainly due to the increased in the salary expense.

The Group recorded a loss of approximately HKD1.3 million for the 1H2026, representing an improvement of HKD0.7 million or 35.0% from approximately HKD2.0 million for the 1H2025, which was mainly driven by the increased in revenue and the promotion measurement as mentioned above.

Financial position

	As at 31 March			As at 30 September	
	2024	**2025**	**2026**	**2025**	**2026**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
Current assets	131,799	116,931	131,175	116,967	117,870
Non-current assets	4,148	906	1,013	712	576
Total assets	**135,947**	**117,837**	**132,188**	**117,679**	**118,446**
Current liabilities	11,719	8,009	24,372	9,926	11,937
Non-current liabilities	1,259	214	55	136	–

	As at 31 March			As at 30 September	
	2024	2025	2026	2025	2026
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
Total liabilities	**12,978**	**8,223**	**24,427**	**10,062**	**11,937**
Net current assets	120,080	108,922	106,803	107,041	105,933
Net assets	**122,969**	**109,614**	**107,761**	**107,617**	**106,509**
Current ratio (times) *(Note 1)*	**11.2**	**14.6**	**5.4**	**11.8**	**9.9**
Gearing ratio (%) *(Note 2)*	**3.9**	**1.1**	**0.6**	**0.5**	**0.2**

Notes:

1. Current ratio was calculated by current assets divided by current liabilities.

2. Gearing ratio was calculated by lease liabilities divided by equity

FY2026 as compared to FY2025

The Group recorded an increase in the current assets by approximately HKD14.2 million, or approximately 12.2%, from approximately HKD116.9 million as at 31 March 2025 to approximately HKD131.2 million as at 31 March 2026 which was mainly attributable to the significant increase in the inventories of approximately HKD49.7 million and partially offset by the decrease in bank and cash balances of approximately HKD6.6 million. The non-current assets of the Group increased by approximately HKD0.1 million or 11.8% from approximately HKD0.9 million as at 31 March 2025 to approximately HKD1.0 million as at 31 March 2026. Such increase was mainly due to the increase in right of use assets.

The Group recorded an increase in the current liabilities by approximately HKD16.4 million, or approximately 204.3%, from approximately HKD8.0 million as at 31 March 2025 to approximately HKD24.4 million as at 31 March 2026, which was mainly attributable to (i) the significant increase in the contract liabilities of approximately HKD14.9 million or 622.8% because of the increase in advance orders from customers and (ii) the increase in the trade payables of approximately HKD2.1 million or 54.0%. The non-current liabilities of the Group decreased by approximately HKD0.2 million mainly due to the decrease in the lease liabilities.

As a trading business company, the Group's asset base mainly comprised current assets. The current ratio of the Group decreased from 14.6 times as at 31 March 2025 to 5.4 times as at 31 March 2026, which primarily due to (i) increase in contract liabilities and (ii) increase in trade payables.

The gearing ratio of the Group remained in a low level and decreased from 1.1% as at 31 March 2025 to 0.6% as at 31 March 2026 mainly attributable to the decrease of lease liabilities from approximately HKD1.0 million as at 31 March 2025 to approximately HKD0.6 million as at 31 March 2026 as the debt structure of the Group only consisted of lease liabilities without borrowings.

FY2025 as compared to FY2024

The Group recorded a decreased in the current assets of approximately HKD14.9 million, or approximately 11.3%, from approximately HKD131.8 million as at 31 March 2024 to approximately HKD116.9 million as at 31 March 2025, which was mainly due to (i) significant decrease in the inventories of approximately HKD31.9 million or 50.3%; (ii) decrease in trade receivable of approximately HKD7.2 million or 47.7% and (iii) decrease in bank and cash balances of approximately HKD14.9 million or 56.5%, partially offset by the increase in deposits paid to suppliers of approximately HKD38.4 million or 186.6%. The non-current assets of the Group decreased by HKD3.2 million or 78.2% from approximately HKD4.1 million as at 31 March 2024 to approximately HKD0.9 million as at 31 March 2025. Such decrease was mainly due to the decrease in right of use assets.

The Group recorded a decrease in current liabilities of approximately HKD3.7 million or 31.7% from approximately HKD11.7 million as at 31 March 2024 to approximately HKD8.0 million as at 31 March 2025, which was mainly due to (i) decrease in lease liabilities of approximately HKD2.5 million or 71.4%; (ii) decrease in other payables of approximately HKD0.8 million or 51.9% and (iii) decrease in contract liabilities of approximately HKD1.4 million or 36.6%. The non-current liabilities of the Group decreased by approximately HKD1.0 million or 83% primarily due to the decrease in lease liabilities mainly attributable to a decrease in amount of right-of-use asset as a shop of the Group relocated from the original location at Hankow Centre in Tsim Sha Tsui to Xiqu Centre at West Kowloon Cultural District starting from August 2024, and the rental cost of the shop decreased from HKD60,000/month to HKD14,760/month.

As a trading business company, the Group's asset base mainly comprised current assets. The current ratio of the Group increased from 11.2 times as at 31 March 2024 to 14.6 times as at 31 March 2025 which was due to the decreased in current liabilities as mentioned above.

The gearing ratio of the Group remained in a low level and decreased from 3.9% for as at 31 March 2024 to 1.1% as at 31 March 2025 mainly attributable to the decrease of lease liabilities from approximately HKD3.5 million as at 31 March 2024 to approximately HKD1.0 million as at 31 March 2025 as the debt structure of the Group only consisted of lease liabilities without borrowings.

1H2026 as compared to 1H2025

The Group recorded an increase in the current assets by approximately 0.9 million or 0.8%, from approximately HKD117.0 million as at 30 September 2025 to approximately HKD117.9 million as at 30 September 2026 which was attributable to the increase in the bank and cash balance of approximately HKD18.6 million, the increase in inventories of approximately HKD17.1 million and the increase in trade receivables of approximately HKD2.8 million and partially offset by the decrease in prepayments, deposits and other receivables of approximately HKD36.1 million. The non-current assets of the Group slightly decreased by HKD136,000 which was mainly due to the decrease in property, plant and equipment.

The Group recorded an increase in the current liabilities by approximately HKD2.0 million, or 20.2%, from approximately HKD9.9 million as at 30 September 2025 to approximately HKD11.9 million as at 30 September 2026. Such increase was mainly due to the significant increase in the contract liabilities of approximately HKD4.0 million and partially offset by the decrease in trade payables of approximately HKD1.9 million. The non-current liabilities decreased to zero as at 30 September 2026 compared to approximately HKD136,000 as at 30 September 2025 because of the settlement of lease liabilities.

As a trading business company, the Group's asset base mainly comprised current assets. The current ratio of the Group decreased from 11.8 times as at 30 September 2025 to 9.9 times as at 30 September 2026, which primarily due to increase in contract liabilities.

The gearing ratio of the Group remained in a low level and decreased from 0.5% as at 30 September 2025 to 0.2% as at 30 September 2026 mainly attributable to the lower level of current lease liabilities and zero non-current lease liabilities recorded as at 30 September 2026.

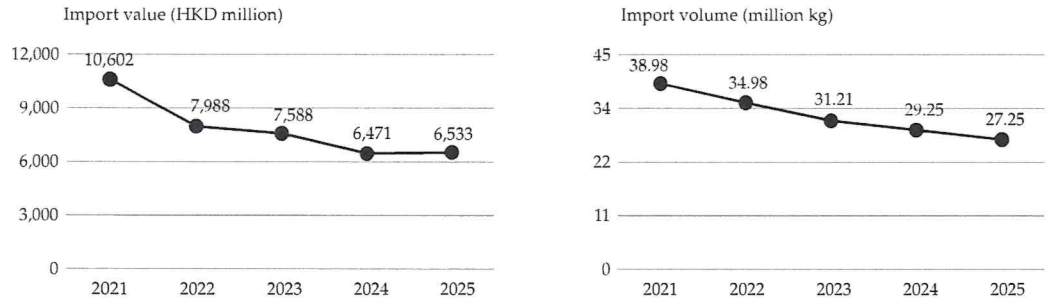
2. Business outlook and prospects of the Group

The Group is principally engaged in the sales and distribution of premium wine and spirits products and wine accessory products in Hong Kong. The Group offers products throughout its retail shops, network of distributors, retail organisations, five-star hotels and private clubs. According to the 2026 Annual Report, the major product type of the Group is red wine which represented approximately 75.5%, 79.0% and 83.3% of its total revenue for each of the year ended 31 March 2024, 2025 and 2026, respectively. Geographically, all revenue of the Group was derived from Hong Kong, based on the location of delivery of goods. The Group's revenue base was therefore concentrated in wine, especially red wine and the Hong Kong market.

As disclosed in the 2026 Annual Report, the Management highlighted uncertainties arising from the global economic conditions, especially the outbreak of war in the Middle East since February 2026 making the global activity facing a major test and concerning the rising commodity prices and firmer inflation expectations, which could lead to a global economy recession. According to the leading global drinks data and insight provider, The International Wine and Spirits Record (the "**IWSR**") and its 2025 Report, the total beverage alcohol volumes fell by 4% and value by 2% in 2025 and further said that the world's largest markets experienced declines in both volumes and value last year because of high inflation, political polarization and international conflict which dampened consumer confidence and reduced spending. IWSR also forecasts global beverage alcohol consumption volume to decline for a further six years before resuming growth in 2031, in particular, the wine volume sales, including the red wine and white wine, will fall 14% between 2025 and 2035. We are unable to find any public wine industry forecast data regarding the Hong Kong market from reliable institutions or official authorities of the Hong Kong government.

Back to the Hong Kong market, although the value of Hong Kong total retail sales in March 2026 amounted to HKD33.9 billion representing an increase of 12.8% according to the Hong Kong Census and Statistics department, the wine import volume has been experienced a negative CAGR of approximately 15.2% from 2021 to 2024 and recorded an increase of approximately 1.0% from 2024 to 2025, and the wine import value has also recorded a negative CAGR of approximately 8.6% from 2021 to 2025, as show in the graph below:

The import value and volume of wine in Hong Kong



Source: Hong Kong Government wine trade statistics, 2021-2025. Charts use different vertical scales.

The charts above show that the overall wine market, which is also the major products of the Group, experienced a generally declining trend in both the import value and volume in the past five years. However, it is noted that there is a modest rebound in import value in 2025 and the decrease in the import volume has been narrowing throughout 2023 to 2025, indicating that the wine market in Hong Kong is under recovering after the COVID-19.

Although the outlook of global market is still facing a challenging environment, the current wine market in Hong Kong has some evidence showing that it is improving as discussed above. Taking into account of the current outlook in Hong Kong wine market and the Group's financial performance has been improving in the 1H2026 and the loss has also been narrowed as detailed in the section "1(ii) Historical Financial Information", we believe the operating environment of the wine market in Hong Kong, to which the Group is located, is gradually recovering.

3. Information of the Offeror

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 30 January 2023. As at the Latest Practicable Date, the total issued share capital of the Offeror is beneficially owned as to 62% by Ms. Zhao and as to 38% by Mr. Chen. The Offeror is principally engaged in investment holding.

The Offeror is a substantial shareholder of Mexan Limited (a company listed on the Main Board of the Stock Exchange, stock code: 22) as at the Latest Practicable Date. Previously, the Offeror was a substantial shareholder of RJVAN Holdings Limited (formerly known as China New Holdings Limited or Royal Century Resources Holdings Limited) (a company listed on GEM of the Stock Exchange, stock code: 8125) from February 2024 to February 2026.

Ms. Zhao

Ms. Zhao is one of the ultimate beneficial owners holding 62% interest in the total issued share capital of the Offeror. From September 2024 to February 2025, she was a director of the Offeror. As at the Latest Practicable Date, Ms. Zhao does not hold any professional, executive, or operational roles in the Offeror and/or other companies. Ms. Zhao is a passive professional investor with extensive experience in Hong Kong equity market. Her investment capital is derived from her family assets and personal wealth.

Mr. Chen

Mr. Chen is the sole director and one of the ultimate beneficial owners holding 38% interest in the total issued share capital of the Offeror. Mr. Chen is a professional investor with extensive experience in corporate management and capital market investments. Mr. Chen brings over four decades of corporate leadership across the logistics, real estate, and investment sectors. He began his career in July 1983 at 福州機械供銷公司 (in English, for identification purpose only, Fuzhou Engineering Supply and Marketing Corporation) as finance manager until April 1993. Mr. Chen served a 23-year tenure from 1993 to 2016 as Vice President of 上海升龍集團 (in English, for identification purpose only, Shanghai Shenglong Group), where he instrumentally spearheaded the growth of its prominent real estate business. For the period from October 2018 to September 2019, he has leveraged his expertise in corporate management and governance and has been serving Chairman of 福州弘元投資公司 (in English, for identification purpose only, Fujian Qinhe Hongyuan Industrial Limited Company). From November 2024 onwards, Mr. Chen served as the legal representative of 福州市翔蘊投資發展有限公司 (in English, for identification purpose only, Fuzhou Xiangyun Investment Development Limited).