

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.



Dynasty Fine Wines Group Limited

王朝酒業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 828)

PROFIT ALERT UPDATE

This announcement is made by Dynasty Fine Wines Group Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Interim Period**”) and the information available to the board (the “**Board**”) of directors (the “**Directors**”) of the Company, the Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a significant increase in the unaudited consolidated revenue of the Group for the Interim Period by approximately 90 to 100% when compared with the unaudited consolidated revenue of the Group of approximately HK\$89.9 million for the six months ended 30 June 2020.

As disclosed in the announcement of the Company dated 15 June 2021 in relation to profit alert, the Board was of the view that the significant increase in revenue for the Interim Period was mainly:

- (a) due to the recovery of sales resulting from the resumption of consumption occasions and consumer sentiment after government’s relaxation of restrictions on the consuming places, as well as growth of economy especially in domestic consumption, following the containment of spread of the novel coronavirus pneumonia (“**COVID-19**”) in the People’s Republic of China;
- (b) driven by an increase in sales of medium to high end wine products during the Interim Period as a result of improvement in sales mix after brand and product upgrade, compared with the same period last year; and
- (c) contributed by strengthened cooperation between sales team of the Group and distributors as well as purchase of goods from distributors before festivals during the Interim Period, which also showcased the stage results subsequent to the implementation of sales and marketing reform.

Despite the aforesaid expected growth in unaudited consolidated revenue of the Group for the Interim Period, the Group expects to record a decrease in unaudited consolidated profit for the Interim Period. It is expected that the unaudited consolidated profit will be in a range of HK\$10 million to HK\$20 million for the Interim Period, as compared to the unaudited consolidated profit of HK\$142.6 million for the corresponding period last year. The latter was mainly contributed by a non-recurrent gain (after land appreciation tax) on the disposal of Chateau and related facilities (the “**Disposal**”) of approximately HK\$184 million.

The Company would like to point out that for the corresponding period of last year, excluding the aforesaid non-recurrent gain on the Disposal as well as a non-recurrent employee compensation of approximately HK\$13.3 million due to implementation of employee reform plan, there would have been an adjusted unaudited consolidated loss of approximately HK\$27.8 million for the Group. During the Interim Period, however, the Group expects to record a turnaround from an adjusted unaudited unconsolidated loss to an unaudited consolidated profit due to the increase in sales of medium to high end wine products and the improvement in gross profit margin.

The information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the Interim Period, which have not been reviewed and approved by the Company’s audit committee and auditor.

As the Group’s consolidated results for the Interim Period have not yet been finalised, the Board is not in a position to quantify accurately the relevant financial effect at this stage. The actual results of the Group for the Interim Period may be different from what is disclosed herein. Details of the financial information of the Group for the Interim Period are expected to be published by the end of August 2021, pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
DYNASTY FINE WINES GROUP LIMITED
Wan Shoupeng
Chairman

Hong Kong, 2 August 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wan Shoupeng, Mr. Li Guanghe and Mr. Huang Manyou, three non-executive Directors, namely, Mr. Heriard-Dubreuil Francois, Mr. Wong Ching Chung and Mr. Robert Luc, and three independent non-executive Directors, namely, Dr. Zhang Guowang, Mr. Yeung Ting Lap Derek Emory and Mr. Sun David Lee.