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## **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**

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 year ended 31 December 2021 (the “**FY2021**”) 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 an increase in the unaudited consolidated revenue of the Group for the FY2021 by approximately 25% to 30% when compared with the audited consolidated revenue of the Group of approximately HK\$238.7 million for the previous year.

The Board was of the view that the increase in revenue for the FY2021 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, following the containment of spread of the novel coronavirus pneumonia (“**COVID-19**”) in the People’s Republic of China (the “**PRC**”); however, the recovery slowed down due to occurrences of flooding and heavy rain and resurgence of more sporadic COVID-19 cases in certain regions in the PRC, which adversely affected consumer sentiment in the second half of 2021;
- (b) driven by an increase in sales of medium to high end wine products during the FY2021 as a result of improvement in sales mix after brand and product upgrade, compared with the 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 FY2021, 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 FY2021, the Group expects to record a decrease in unaudited consolidated profit for the FY2021. It is expected that the unaudited consolidated profit will be in a range of HK\$23.0 million to HK\$33.0 million for the FY2021, as compared to the audited consolidated profit of HK\$115.7 million for the last year. The latter was mainly contributed by a non-recurring gain (after land appreciation tax) on the disposal of Chateau and related facilities (the “**Disposal**”) of approximately HK\$183.7 million.

The Company would like to point out that for the last year 2020, excluding the aforesaid non-recurring gain on the Disposal as well as a non-recurring employee compensation of approximately HK\$26.7 million due to implementation of employee reform plan, there would have been an adjusted consolidated loss of approximately HK\$41.3 million for the Group. During the FY2021, however, the Group expects to record a turnaround from an adjusted consolidated 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 Company is still in the process of preparing and finalising the results of the Group for the FY2021. The information contained in this announcement is a preliminary assessment made by the Board based on the draft unaudited consolidated management accounts of the Group for the FY2021 and the information currently available to the Group, which have not been reviewed and approved by the Company’s audit committee, and the audit on which has not been completed by the auditor. The aforesaid are still subject to potential adjustments and finalisation to be made during the course of audit.

Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the FY2021 which is expected to be issued by the end of March 2022.

**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, 16 March 2022

*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.*