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TONTINE

CHINA TONTINE WINES GROUP LIMITED

中國通天酒業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 389)

SUPPLEMENTAL ANNOUNCEMENT

GRANT OF SHARE OPTIONS

Reference is made to the announcement of China Tontine Wines Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 December 2023 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Board would like to provide further information regarding the grant of Options as follows:

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 15 December 2023 (the “**Date of Grant**”), the Company offered to grant share options (the “**Share Options**”) to subscribe for an aggregate of 29,405,480 ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) to certain eligible participants (the “**Grantees**”), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 16 June 2023.

Details of the grant of the Share Options are as follows:

| | | |
|---|---|---|
| Date of Grant | : | 15 December 2023 |
| Number of underlying Shares involved | : | 29,405,480 Shares |
| Exercise price of Share Options granted | : | HK\$0.92 per Share (which is higher than (i) the closing price of HK\$0.92 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of the Grant; (ii) the average closing price of HK\$0.83 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of a Share) |
| Validity period of the Share Options | : | One year from 15 December 2023 to 14 December 2024 (both days inclusive) |

Vesting Period of the Options : The Share Options shall be vested in a one-off period of one year to the Grantees.

After the annual assessment of the performance targets and the share options which have not been exercised and expired, share options will be granted to re-selected grantees based on the performance of the directors or employees of the Group.

Clawback Mechanism : The Options granted were subject to the clawback mechanisms as set out in the terms of the Scheme, in particular, the Options will lapse:

- (a) upon the Grantee ceases to be an eligible participant of the Group on one or more grounds, save for the death of the Grantee, that he or she has been guilty of serious misconduct, bankruptcy, or has made any arrangement or composition with his or her creditors generally or convicted of any criminal offence involving his integrity or honesty or any other ground on which an employer would be entitled to terminate his or her employment summarily; and
- (b) upon the Grantee transfers, assigns, charges, mortgages, encumbers or creates any interest in favour of any other person over or in relation to any Option.

Performance Target : There is performance target attached to the Share Options granted. Job performance is evaluated by the performance review committee which comprises of two executive directors and an administrative director.

The purpose of the Scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and the Shares for the benefit of the Company and its shareholders as a whole.

Having considered the purpose of the Scheme above and the following factors, the Remuneration Committee is of the view that the grant of the Options is in line with the purpose of the Scheme with the performance target:

- (a) given that the Options are time-vesting and subject to the clawback mechanism and the value of the Options is linked to the future Share price and performance of the Company, the grant of the Options can align the interests of the Grantees and the Group;

- (b) as the Grantees are either Directors or employees of the Group who have made direct contributions to the operational performance and business development of the Group and the grant of the Options will give the Grantees to reap the results of the Group and be incentivized to work towards the sustainable growth of the Group and shareholder value creation; and
- (c) the number of the Options to be granted to each Grantee has been determined based on the work performance and the future potential contributions to the Group of the relevant Grantee.

Number of Shares Available for : After the grant of the Options as disclosed in this Future Grant announcement, the number of Shares available for future grant(s) under the scheme mandate of the Scheme is 0 Share.

Financial Assistance : The Group did not provide any financial assistance to the Grantees to facilitate their purchase of Shares under the Scheme.

Out of the 29,405,480 Share Options granted, 2,940,548 Share Options were offered to be granted to Mr. Guangxin who is the Deputy general manager of Tonghua Tongtian Winery Co., Ltd. (a wholly owned subsidiary of the Company), the brother of Mr. Wang Guangyuan (the chairman, an executive Director, the chief executive officer and the substantial shareholder of the Company) and Ms. Wang Lijun (an executive Director).

The remaining 26,464,932 Share Options were granted to nine full-time employees of the Group. Each of these Grantees is neither a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

By order of the Board
China Tontine Wines Group Limited
Wang Guangyuan
Chairman and Executive Director

Hong Kong, 19 December 2023

As at the date of this announcement, the Board comprises Mr. Wang Guangyuan, Mr. Zhang Hebin and Ms. Wang Lijun as executive directors, Mr. Li Jerry Y., and Mr. Zhu Minghui as non-executive directors and Dr. Cheng Vincent, Mr. Lai Chi Keung, Albert and Mr. Yang Qiang as independent non-executive directors.