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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)

**(I) QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION;
(II) DELAY IN PUBLICATION OF OUTSTANDING FINANCIAL RESULTS AND
DESPATCH OF REPORTS;
(III) BUSINESS AND LITIGATIONS UPDATE
AND
(IV) SUSPENSION OF TRADING OF SHARES**

This announcement is made by Dynasty Fine Wines Group Limited (the “**Company**”, and 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 (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 14 March 2013, 22 March 2013, 26 March 2013, 30 April 2013, 31 May 2013, 28 June 2013, 31 July 2013, 21 August 2013, 30 August 2013, 25 September 2013, 8 October 2013, 31 October 2013, 29 November 2013, 31 December 2013, 28 January 2014, 28 February 2014, 27 March 2014, 28 April 2014, 30 May 2014, 30 June 2014, 31 July 2014, 29 August 2014, 30 September 2014, 31 October 2014, 26 November 2014, 31 December 2014, 30 January 2015, 27 February 2015, 31 March 2015, 16 April 2015, 30 April 2015, 29 May 2015, 30 June 2015, 14 August 2015, 31 August 2015, 30 September 2015, 23 October 2015, 26 November 2015, 15 December 2015, 29 January 2016, 1 March 2016, 31 March 2016, 3 May 2016, 30 June 2016, 2 August 2016, 31 August 2016, 31 October 2016, 3 January 2017, 3 March 2017, 19 April 2017, 12 May 2017, 23 August 2017, 30 November 2017, 29 December 2017, 8 January 2018, 31 January 2018, 28 February 2018, 29 March 2018, 20 April 2018, 21 May 2018, 29 June 2018, 31 July 2018, 8 August 2018, 31 August 2018, 30 September 2018, 23 October 2018, 31 October 2018, 30 November 2018, 31 January 2019 and 29 March 2019. Capitalised terms used herein shall have the same meaning as those defined in the Announcements unless the context otherwise requires.

DELAY IN DESPATCH OF 2018 ANNUAL REPORT

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to send the annual report including the financial statements of the Group for the year ended 31 December 2018 and a copy of the auditors' report thereon (the **"2018 Annual Report"**) to its Shareholders not less than 21 days before the date of the Company's annual general meeting and in any event not more than four months after the end of the financial year to which they relate, being 30 April 2019.

As additional time is required by the Company to finalise 2018 Annual Results, the publication of the 2018 Annual Results will be delayed and such delay constitutes a breach of Rule 13.49(1) of the Listing Rules. The despatch of the 2018 Annual Report will also be delayed and the Board acknowledges that such delay will constitute non-compliance with Rule 13.46(2) of the Listing Rules.

The Company will issue further announcements to inform the Shareholders when the date of the Meeting, the publication date of the 2017 Interim Results, the 2017 Annual Results, the 2018 Interim Results and the 2018 Annual Results and the date of despatch of the 2012 Annual Report, the 2013 Interim Report, the 2013 Annual Report, the 2014 Interim Report, the 2014 Annual Report, the 2015 Interim Report, the 2015 Annual Report, the 2016 Interim Report, the 2016 Annual Report, the 2017 Interim Report, the 2017 Annual Report, the 2018 Interim Report and the 2018 Annual Report have been determined.

BUSINESS OPERATIONS OF THE GROUP

The Group is principally engaged in the production and sales of red wines, white wines and other products including sparkling wines, brandy and ice wine. The business operation of the Group is mainly carried out in the PRC.

As set out in the announcement of the Company dated 29 March 2019 in relation to the latest draft unaudited consolidated management accounts of the Group for the year ended 31 December 2018, the total revenue of the Group amounted to about HK\$349 million (2017: HK\$383 million). Sales of red wines continued to be the primary revenue contributor of the Group and contributed approximately 75% (2017: 71%) of the Group's total revenue for the year ended 31 December 2018. Sales of white wines and other products contributed approximately 24% and 1% (2017: 28% and 1%) of the Group's total revenue for the year ended 31 December 2018, respectively. As of 31 December 2018, the total assets of the Group amounted to approximately HK\$772 million (as at 31 December 2017: approximately HK\$890 million).

As disclosed in the circular of the Company dated 15 November 2018, the Group intends to dispose of a chateau and its related facilities. It is expected that completion of the disposal shall be delayed to mid-June 2019.

LITIGATIONS UPDATE

The Company would also like to update its shareholders and investors the litigations:

a) Litigation for breach of obligations under storage contract

References are made to the announcements of the Company dated 8 August 2018 and 23 October 2018 for the litigation in relation to Tianjin Sales Co (the “**Tianjin Sales Co. Litigation**”). Save for the settlement of Compensation of approximately RMB2.5 million up to the date of this announcement, the Two Defendants did not pay the remaining Compensation in accordance with the payment schedule set out in the Mediation Document. As such, the Group is taking further actions, among others, by disposal of seized assets, to recover the outstanding Compensation and safeguard the Group’s interests in relation to the Claim. The outstanding Compensation is expected to have no material impact on the Group’s business development.

b) Litigation for raw wine sales and purchase contract dispute

The Company would like to inform its Shareholders that in March 2019, Dynasty Winery, a subsidiary of the Company, received notices of appearance and adducing evidence ((2019) Jin 0113 MinZu No. 2060) together with a civil complaint served by the People’s Court of Beichen District, Tianjin (“**Beichen Court**”) in relation to a dispute regarding a raw wine sales and purchase contract (the “**Contract**”) entered into between Tianjin Zijinyuan Grape Winery Co., Ltd. (天津市紫金园葡萄榨汁有限公司) (“**Zijinyuan**”) and Dynasty Winery.

Zijinyuan, as plaintiff, made a claim to the Beichen Court for a ruling that Dynasty Winery shall execute the Contract by taking up the remaining raw wine from and making payment of RMB5,313,000 to Zijinyuan, together with the maintenance costs incurred for occupancy of its storage tank of RMB252,000. Furthermore, Dynasty Winery shall pay the interests as calculated in accordance with the interest rate for loans of the same term and same type as published by the People’s Bank of China for the period from 13 March 2016 to the date of the actual payment in full. The calculation of the interests up to 12 March 2019 amounted to approximately RMB0.96 million. The litigation costs of the case shall also be borne by Dynasty Winery.

As at the date of this announcement, the hearing of the aforementioned case has not yet commenced. Management of the Company considers that the amount of compensation claim is expected to have no material impact on the Group’s business development.

The Company will make further announcement as appropriate in relation to the progress of the above civil claims.

RESUMPTION PLAN AND EXPECTED TIMETABLE

In relation to the Financial Results Publication Condition, the Company has published the 2016 Annual Results, the 2015 Annual Results, the 2014 Annual Results, the 2013 Annual Results and the 2012 Annual Results; and the interim results for the six months ended 30 June 2016, 2015, 2014 and 2013.

The Board would like to update the Shareholders of the matters pertaining to the publication of 2017 Interim Results, 2017 Annual Results, 2018 Interim Results and 2018 Annual Results and reports. As additional time is required by the Company to finalise the outstanding results announcements and reports, and to provide the outstanding matters to auditor for the completion of the audit for the consolidated financial statements of the year ended 31 December 2017 and 2018, including, among other things, finalisation of an internal investigation of the Tianjin Sales Co. Litigation and impairment review of fixed assets, the Board would like to update the Shareholders the expected timetable for the publication below:

Expected timeline:

Publication of the preliminary 2017 and 2018 Annual Results, and address any audit qualifications (if any), 2017 Interim Results and 2018 Interim Results	By the end of May 2019
Publication of annual reports for the years ended 31 December 2012, 2013, 2014, 2015 and 2016; and the interim reports for the six months ended 30 June 2013, 2014, 2015 and 2016	By the end of May 2019
Publication of annual report for the year ended 31 December 2017 and 2018 and the interim reports for the six months ended 30 June 2017 and 2018	To be updated in future monthly announcement

Should there be any changes in the above timetable, the Company will make further announcement to update the Shareholders with the publication of the outstanding results announcements and reports as and when appropriate.

The Company will make further announcement(s) relating to any further material development of the above. The Company will also inform the market of all material information for the Shareholders and potential investors of the Company to appraise the Company's position as and where appropriate.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 March 2013 and will remain suspended until further notice.

By order of the Board
DYNASTY FINE WINES GROUP LIMITED
Sun Jun
Chairman

Hong Kong, 30 April 2019

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Sun Jun, Mr. Li Guanghe and Mr. Sun Yongjian, five non-executive Directors, namely, Mr. Heriard-Dubreuil Francois, Ms. Shi Jing, Mr. Jean-Marie Laborde, 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.