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Grace Wine Holdings Limited

怡園酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8146)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Grace Wine Holdings Limited (the “**Company**”) for the year ended 31 December 2020 published on 30 March 2021 (the “**2020 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the 2020 Annual Report.

USE OF NET PROCEEDS FROM THE PUBLIC OFFERING AND PLACING OF THE SHARES OF THE COMPANY

In addition to the information disclosed under the section headed “Issue of Shares and use of proceeds from initial public offering” in the 2020 Annual Report, the Board would like to provide further information regarding the unutilised proceeds as at beginning of the FY2020, and a detailed breakdown and description of the proceeds utilised during the FY2020, details of which are set out as follows:

	Unutilised Net Proceeds as at 1 January 2020 RMB'000	Actual use of Net Proceeds from 1 January 2020 to 4 September 2020 RMB'000	Actual use of Net Proceeds from 4 September 2020 to 31 December 2020 as extracted from the Annual Report RMB'000
Second phase construction of the Ningxia Winery ⁽¹⁾	15,000	—	—
Purchase of plants and equipment for the second phase of the Ningxia Winery ⁽¹⁾	6,800	—	—
Initial production costs of the first phase of the Ningxia Winery	2,700	1,000	1,700
Sales and marketing expenses	1,500	750	750
General working capital	800	400	400
Construction of the Distillery Facility (as defined in Note (1))	N/A ⁽²⁾	—	7,545
	<u>26,800</u>	<u>2,150</u>	<u>10,395</u>

Notes:

- (1) Reference is made to the announcement of the Company dated 4 September 2020 in relation to the change in use of proceeds (the “**Announcement**”), the board of directors of the Company resolved to change the use of the Net Proceeds and reallocate the part of the unutilised Net Proceeds to the construction of a distillery facility for the production of whisky and gin in Fujian Province (the “**Distillery Facility**”). Details of which are set out in the Announcement.
- (2) The utilisation of Net Proceeds for constructing the Distillery Facility was announced by the Company on 4 September 2020, therefore it is inapplicable to disclose the unutilised Net Proceeds as at 1 January 2020 for such use.

The supplementary information provided in this announcement does not affect other information contained in the 2020 Annual Report, and save for the additional information disclosed above, the contents of the 2020 Annual Report remain unchanged.

By order of the Board
Grace Wine Holdings Limited
Judy Chan
Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 23 August 2021

As at the date of this announcement, the Board comprises Ms. Judy Chan and Mr. Fan Chi Chiu as the executive Directors, Mr. Chow Christer Ho and Dr. Cheung Chai Hong as the non-executive Directors, and Mr. Ho Kent Ching-tak, Mr. Lim Leung Yau Edwin and Mr. Alec Peter Tracy as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the GEM website at <https://www.hkgem.com> for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <http://www.gracewine.com.hk>.