DYNASTY
Since 1980

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) PROFIT WARNING; AND (II) UPDATE ON DISPOSAL OF CHATEAU AND RELATED FACILITIES

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 (the "**Stock Exchange**") 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).

PROFIT WARNING

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the draft unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, it is expected the Group would record an increase in unaudited consolidated loss for the six months ended 30 June 2019 by approximately 20% as compared to the unaudited consolidated loss for the same period in 2018 in the amount of approximately HK$28.6 million, subject to potential adjustments following further internal review. Such increase was primarily attributable to an increase in distribution costs as well as a decrease in revenue as compared to the six months ended 30 June 2018. The increase in distribution costs was primarily pertaining to sales and marketing reform through mass-scale campaign in the first half of the year. The decrease in revenue was mainly due to the decrease in sales volume as a result of optimization of product portfolio and increase in market price of the products in certain Eastern region of the PRC during the reporting period.

The Company is still in the process of preparing and finalising the results of the Group for the six months ended 30 June 2019. 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 six months ended 30 June 2019 and the information currently available to the Group, and such accounts and information have not yet been reviewed and approved by the Company's audit committee and auditor. The actual results of the Group for the six months ended 30 June 2019 may be different from what is disclosed herein.

Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the six months ended 30 June 2019 which is expected to be issued by the end of August 2019.

UPDATE ON DISPOSAL OF CHATEAU AND RELATED FACILITIES

As disclosed in the circular of the Company dated 15 November 2018 and the announcements of the Company dated 5 December 2018 and 30 April 2019, the Group intends to dispose a chateau and its related facilities (the "**Transfer**") at a consideration of RMB400 million and completion of the Transfer is subject to certain administrative registration procedures. It is expected that completion of the Transfer shall take place in or before the fourth quarter of 2019. The full amount of the consideration has been received by the Group in May 2019. It is expected that the Company will record an estimated gain of approximately RMB153 million before income tax (subject to final audit) from the Transfer upon completion, being calculated based on the difference between the consideration and the book value of the chateau and its related facilities plus expenses of the Transfer and tax expenses.

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
Sun Jun
Chairman

Hong Kong, 14 August 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.