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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 management accounts of the Group for the six months ended 30 June 2020, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record an unaudited consolidated profit for the six months ended 30 June 2020 by no less than HK\$140 million as compared to the unaudited consolidated loss of HK\$32.2 million for the same period last year. As disclosed in the circular of the Company dated 15 November 2018 and the announcements of the Company dated 5 December 2018, 30 April 2019, 14 August 2019 and 13 March 2020, in light of the one-off gain on the disposal of Chateau and related facilities completed in January 2020, the Group expects that such an one-off gain on disposal of approximately HK\$180 million will make a substantial contribution to the profit attributable to owners of the Company for the six months ended 30 June 2020, but this is expected to be partially offset by the estimated operating loss during the period.

The operating loss (excluding gain on the disposal of Chateau and related facilities) was mainly attributable to i) drop in gross profit resulting from a decrease in the revenue of the Group for the six months ended 30 June 2020 in the range of 30% to 40% as compared to approximately HK\$132.2 million for the same period of last year; and ii) the payment of employment compensation due to the implementation of staff reform plan during the period. The Board is of the view that the decrease in revenue is mainly due to the

outbreak of the novel coronavirus pneumonia (“COVID-19”) since January 2020 as well as restrictions on consuming places imposed by the government in the People’s Republic of China and adverse impact of the epidemic on consumer sentiment. The Group has been closely monitoring the market conditions and adjusted its business strategies to minimize the adverse impact on the operations, and the Group has also strengthened cost control and adopted appropriate measures in a timely manner.

The Board believes that the financial position of the Group remains sound. Subject to factors including the development of the COVID-19 situation and the market conditions, the Board currently expects that the revenue of the Group will steadily improve in the second half of 2020 as compared with the first half of the year.

The information contained in this announcement is only based on the preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2020, which have not been reviewed and approved by the Company’s audit committee and auditor.

As the Group’s consolidated results for the six months ended 30 June 2020 have not yet been finalised, the Board is not in a position to quantify accurately the relevant financial effect at this stage. The actual results of the Group for the six months ended 30 June 2020 may be different from what is disclosed herein. In view of the ongoing COVID-19 epidemic, it is not yet possible to precisely estimate the full financial effect that the epidemic will have had on the Group’s operations.

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 2020 which is expected to be issued by the end of August 2020.

**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, 31 July 2020

*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.*