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)

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 consolidated management accounts of the Group for the year ended 31 December 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 attributable to owners of the Company for the year ended 31 December 2020 by no less than HK$110 million as compared to the audited consolidated loss attributable to owners of the Company of approximately HK$72.9 million for the previous 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, completion of the disposal (the "**Disposal**") of the Chateau and related facilities took place in January 2020 and a gain on the Disposal was expected to be recognised. As at the date of this announcement, it is expected that the Group has recorded a one-off gain on the Disposal of approximately HK$184 million (net of tax). The Group expects that such gain on the Disposal will make a substantial contribution to the profit attributable to owners of the Company for the year ended 31 December 2020 while it is partially offset by the operating loss during the year.

The operating loss (excluding gain on the Disposal) was mainly attributable to i) the drop in gross profit resulting from a decrease in the revenue of the Group for the year ended 31 December 2020 in the range of 20% to 25% as compared to approximately HK$302 million for the previous year; and ii) the payment of employment compensation due to the implementation of staff reform plan during the year. The Board is of the view that the decrease in revenue is mainly due to the outbreak of the novel coronavirus pandemic ("**COVID-19**") since January 2020 as well as restrictions on places of consumption imposed by the government of the People's Republic of China ("**PRC**") during the first four months of 2020 and adverse impact of the pandemic on consumer sentiment. During the year, the Group had closely monitored the market conditions and adjusted its business strategies to minimise the adverse impact on the operations, and the Group had also strengthened control of other operating costs and management of the cash flow.

Following the containment of COVID-19 in the PRC, the revenue of the Group improved in the second half of 2020 as compared to the first half of the year.

The Company is still in the process of preparing and finalising the results of the Group for the year ended 31 December 2020. 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 year ended 31 December 2020 and the information currently available to the Group, which have not been reviewed and approved by the Company's audit committee, and the audit on which has not been completed by the auditor. The aforesaid are still subject to potential adjustments and finalisation to be made during the course of audit.

Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the year ended 31 December 2020 which is expected to be issued by the end of March 2021.

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
Wan Shoupeng
Chairman

Hong Kong, 15 March 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wan Shoupeng, Mr. Li Guanghe and Mr. Huang Manyou, three non-executive Directors, namely, Mr. Heriard-Dubreuil Francois, 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.