TONTINE

CHINA TONTINE WINES GROUP LIMITED

中國通天酒業集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 389)

PROFIT WARNING

This announcement is made by China Tontine Wines Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") 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).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on information currently available to the Board in the preparation of the final results of the Group for the year ended 31 December 2020 (the "**Year**"), the Group is expected to record a loss of approximately RMB130 million to RMB190 million for the Year as compared to a profit of approximately RMB5 million for the year ended 31 December 2019.

The expected loss for the Year was mainly attributable to (i) the decrease of the Group's revenue caused mainly by the drop of demand for its wine products, especially since the outbreak of the COVID-19 pandemic earlier in 2020 while many events, conferences and banqueting had been postponed, limited or cancelled. The drop of sales also eroded the operating profit leading to a gross loss as compared with a gross profit in the year ended 2019; (ii) the write-off on certain obsolete and slow moving inventories, impairment loss on right-of-use assets and property, plant and equipment and provision of expected credit loss for trade receivables; and (iii) the increase in selling and distribution expenses for brand building, sales and marketing of the products of the Group.

The Company is in the process of preparing the annual results of the Group for the Year. The information contained in this announcement is only a preliminary assessment by the Company based on the information currently available to the Board which have not been finalized and not yet been reviewed and/or audited by the Company's independent auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Tontine Wines Group Limited
中國通天酒業集團有限公司
Wang Guangyuan
Chairman and Executive Director

Hong Kong, 15 March 2021

As at the date of this announcement, the Board comprises Mr Wang Guangyuan, Mr Zhang Hebin and Ms Wang Lijun as executive directors and Dr Cheng Vincent, Mr Lai Chi Keung, Albert and Mr Yang Qiang as independent non-executive directors.