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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: 00828)

DISCLOSEABLE TRANSACTION

CONSTRUCTION AGREEMENT

On 25 September 2025 (after Stock Exchange trading hours), Dynasty Jiangsu, a non-wholly owned subsidiary of the Group, entered into the Construction Agreement with the Contractor, pursuant to which the Contractor shall provide construction services to Dynasty Jiangsu for the construction of the Jiangsu winery at the Consideration (being RMB22,326,166.58 (equivalent to approximately HK$24.53 million)).

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Construction Agreement exceeds 5% but does not exceed 25%, the transaction constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

On 25 September 2025 (after Stock Exchange trading hours), Dynasty Jiangsu, a non-wholly owned subsidiary of the Group, entered into the Construction Agreement with the Contractor, pursuant to which the Contractor shall provide construction services to Dynasty Jiangsu for the construction of the Jiangsu winery at the Consideration (being RMB22,326,166.58 (equivalent to approximately HK$24.53 million)).

THE CONSTRUCTION AGREEMENT

The principal terms of the Construction Agreement are set out below:

Date:	25 September 2025
Parties:	(1) Dynasty Jiangsu (2) the Contractor As at the date of this announcement the Contractor is owned by Wang Hongsuo (王 紅 所), He Lanzhu (何 蘭 珠) and Xie Yong (謝 勇) as to 82.0646%, 15.544% and 2.3914% respectively, all being Chinese nationals. Wang Hongsuo is the executive director and general manager of the Contractor. Xie Yong is the supervisor of the Contractor. He Lanzhu is a merchant in the construction industry. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Group and its connected person.
Subject matter:	The Contractor will act as the general contractor responsible for constructing the plant buildings, warehouse, office building as well as waste sewage facilities of winery premises for manufacturing of yellow wine and Chenpi wine at the Construction Area situated at the Green Food Industrial Park in Sancang Town, Yancheng City, Dongtai City, Jiangsu Province, the P.R.C (中國江蘇省鹽城市東台市三倉鎮東台綠色食品工業園) (the "**Construction Works**").
Construction period:	The Construction Works are expected to be completed within 120 days, commencing on 30 September 2025, and completed by 30 January 2026.
Consideration:	RMB22,326,166.58 (equivalent to approximately HK$24.53 million). The Construction Agreement was awarded to the Contractor through a tendering process. The Consideration was determined based on the bid price submitted by the Contractor. When determining the Contractor as the successful bidder, Dynasty Jiangsu has considered the Consideration and assessed the requisite construction licence held by the Contractor, the experience, capability, financial conditions and reputation of the Contractor, the expected scope, complexity and expected costs of the Construction Works to be undertaken, and the prevailing market price of the Construction Works with similar scale and complexity. Payment of the Consideration will be financed by the Group's internal resources.

In the event there being any changes in the scope of the Construction Work, the cost of materials, labour costs, or government policies, Dynasty Jiangsu and the Contractor shall be entitled to negotiate and amend the contract price of the Construction Agreement with reference to the relevant rules and regulations such as Code of Bills of Quantities and Valuation for Construction Works (建設工程工程量清單計價規範), the Notice of the People's Government of Dongtai City on Issuing the Administrative Measures for Government Investment Projects in Dongtai City (東台市人民政府關於印發東台市政府投資項目管理辦法的通知), Guiding Opinions on Strengthening the Price Risk Control of Building Materials (關於加強建築材料價格風險控制的指導意見) and Notice of the Provincial Department of Housing and Urban-Rural Development on Implementing Dynamic Management of Unit Price of Labour Wages for Construction Projects (省住房和城鄉建設廳關於對建設工程人工工資單價實行動態管理的通知), provided that such amendment shall be agreed upon between Dynasty Jiangsu and the Contractor. As at the date of this announcement, Dynasty Jiangsu does not anticipate there will be any of the aforesaid changes and therefore does not anticipate there would be any change to the Consideration. The Company will ensure compliance with the Listing Rules before agreeing on any amendment to the contract price of the Construction Agreement, and further announcement in relation thereto will be made as and when appropriate in accordance with the Listing Rules.

The Construction Agreement provided that for any materials or equipment supplied by Dynasty Jiangsu, the Contractor shall be entitled to a custody fee calculated at 1% of the price of such materials or equipment. Dynasty Jiangsu does not anticipate there being any materials or equipment that need to be supplied by it and thus it does not anticipate such custody fee will be payable.

Payment terms:

The Consideration is payable by Dynasty Jiangsu in the following manner:

(1) Based on the progress of the Construction Work, any construction item that has been satisfactorily completed shall be entitled to 50% payment of such item;

(2) up to 80% of the Consideration (including the amount paid pursuant to item (1) above) shall be payable upon the completion settlement audit (竣工結算審定,"**Completion Audit**"), which will be carried out after the completion inspection (竣工驗收);

(3) 97% of the Consideration (including the amounts paid pursuant to items (1) and (2) above) shall be payable upon one year after the Completion Audit; and

(4) the remaining 3% of the Consideration shall be payable after the expiration of the Defects Liability Period (as defined below).

Completion:

The Construction Works shall be subject to completion inspection upon construction completion.

If the quality of the Construction Works fails the inspection standard, the Contractor shall pay Dynasty Jiangsu 3% of the cost of the relevant works, which shall be directly deducted from the performance guarantee or the Consideration.

The Contractor shall deliver the Construction Area to Dynasty Jiangsu within 7 days after the issue of construction acceptance certificate (工程接收證書).

Defects Liability Period:

24 months from the date when the Construction Works have passed the completion inspection.

Warranty period:

During the warranty period, the Contractor shall be responsible for handling quality problems of the Construction Works in a timely manner and in accordance with the terms and conditions of the Construction Agreement. The warranty period varies depending on the types of construction works.

The warranty payment shall be 3% of the Consideration which shall be retained and returned to the Contractor at the end of the warranty period.

Supervisor:

Dynasty Jiangsu shall assign an individual as the supervisor (the "**Supervisor**") to check, test, review and inspect matters related to the construction on behalf of Dynasty Jiangsu, and issue relevant instructions in accordance with the legal provisions.

Liabilities for breach of agreement by Dynasty Jiangsu:

1. where Dynasty Jiangsu fails to issue a notice to commence work within 7 days prior to the scheduled commencement date, the Contractor is entitled to request to amend the contract price of the Construction Agreement, or terminate the Construction Agreement.

2. where Dynasty Jiangsu subcontracts a portion of the project within the Contractor's contract scope to another entity without the Contractor's consent, Dynasty Jiangsu shall compensate the resulting economic loss to the Contractor.

3. when the specifications, quantity, or quality of the materials and project equipment provided by Dynasty Jiangsu do not conform to the Construction Agreement, or where there are delays in delivery or changes in delivery locations caused by Dynasty Jiangsu, and such issues prevent the Contractor from carrying out normal construction work, the construction period shall be extended accordingly.

4. where Dynasty Jiangsu breaches the Construction Agreement, resulting in a suspension of work, Dynasty Jiangsu shall be responsible for the Contractor's verified man-hour losses and idle equipment expenses incurred on-site, and the construction period shall be extended accordingly.

5. where Dynasty Jiangsu fails to issue a notice of resumption of work within the agreed time limit without justifiable reasons, resulting in the Contractor being unable to resume work, the Contractor shall issue a notice to Dynasty Jiangsu, requesting Dynasty Jiangsu to take effective measures to rectify the breach of contract. Concurrently, the Contractor has the right to suspend construction in the relevant area and notify the Supervisor. Dynasty Jiangsu shall bear the consequential additional expenses.

6. for other circumstances of breaches, Dynasty Jiangsu and the Contractor shall further negotiate upon their occurrence.

Breach of agreement by the Contractor:

The following acts committed by the Contractor shall constitute a material breach, where Dynasty Jiangsu may terminate the Construction Agreement immediately and the Contractor shall be liable for all losses arising the breach:

1. failing to agree with the terms and conditions of the Construction Agreement;

2. suspending or delaying the Construction Works or affecting the construction quality;

3. unilaterally exerts undue pressure on Dynasty Jiangsu to increase the contract price without justifiable reasons; and

4. unilaterally exerts undue pressure on Dynasty Jiangsu to provide certain compensation without justifiable reasons.

Where the Contractor is found to have engaged in affiliating itself with other entities or unauthorised subcontracting, Dynasty Jiangsu may terminate the Construction Agreement in part or in full. The Contractor shall immediately withdraw from the Construction Area, the performance guarantee shall be forfeited and the Contractor shall compensate Dynasty Jiangsu for all resulting losses.

Dynasty Jiangsu may also terminate the Construction Agreement in the event that (i) the Contractor replaces of the project manager (項目經理) or the key construction management personnel (主要施工管理人員) without prior authorisation and (ii) the Contractor refuses to replace the project manager or the key construction management personnel without justifiable reasons.

If the project principal (項目負責人) or project technical principal (項目技術負責人) is absent from the Construction Area for 2 consecutive days or a cumulative total of 5 days without notice or approval, Dynasty Jiangsu may:

(1) forfeit the entire performance guarantee;

(2) terminate the Construction Agreement immediately; and

(3) refuse to pay for any completed works upon claim from the Contractor.

Delay of Construction Works: If the construction period is delayed by reason of the Contractor, the liquidated damages shall be calculated at a rate of RMB5,000 (equivalent to approximately HK$5,500) per day, subject to a cap of 10% of the Consideration.

Performance guarantee: A performance guarantee of RMB1,116,308 (equivalent to approximately HK$1.2 million) must be provided by the Contractor before the signature of Construction Agreement. In case that the performance bond is paid in cash, it shall be returned without interest after the project is completed and accepted. If it is paid in the form of a letter of guarantee, it shall be returned without interest six months after the project is completed and accepted.

Force majeure: Force majeure events refer to natural disasters and sociological circumstances that are unforeseen by the parties when signing the Construction Agreement, which are unavoidable and insurmountable during the performance of the Construction Agreement, such as earthquakes, tsunamis, plagues, riots, martial law, wars and other circumstances. In case a party to the Construction Agreement encounters a force majeure event that hinders the performance of its contractual obligations, it shall immediately notify the other party and the Supervisor.

Termination of agreement due to force majeure:	If the Construction Agreement could not be performed due to force majeure, both Dynasty Jiangsu and the Contractor shall have the right to terminate the Construction Agreement. After the Construction Agreement is terminated, the parties shall agree on or determine the amount payable by Dynasty Jiangsu. The amount payable shall be agreed on or determined by the parties to the Construction Agreement. Dynasty Jiangsu shall make the payment within 90 days after the payment amount is agreed on or determined.

INFORMATION OF THE CONTRACTOR

The Contractor is a company with limited liability established in the PRC and is principally engaged in housing construction, municipal utility construction, water and electricity installation, building decoration, and landscaping management. As at the date of this announcement, the Contractor is owned by Wang Hongsuo (王紅所), He Lanzhu (何蘭珠) and Xie Yong (謝勇) as to 82.0646%, 15.544% and 2.3914% respectively, all being Chinese nationals. Wang Hongsuo is executive director and general manager of the Contractor, while Xie Yong is supervisor of the Contractor. He Lanzhu is a merchant in the construction industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of and not connected with the Group and its connected persons.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is an investment holding company and the Group is principally engaged in manufacturing and sale of wine products in the PRC.

As disclosed in the Company's announcement dated 18 December 2024 and the Company's 2024 annual report and 2025 interim results announcement, the Group established Dynasty Jiangsu with Jiangsu Jiu Zhongxian Winery Co. Ltd.* (江蘇酒中先酒業有限公司), a company indirectly owned by the municipal government of Dongtai City, Jiangsu Province, the PRC (江蘇省東台市人民政府) for the manufacturing and sale of yellow wine and Chenpi wine in Dongtai City, Jiangsu Province, the PRC. Dynasty Jiangsu is owned as to 51.02% by the Group. The Construction Agreement encompasses the construction of a manufacturing plant with a tank capacity of 3,000 tonnes for yellow wine and Chenpi wine, which itself is a special yellow wine.

As at the date of this announcement, the principal products manufactured by the Group are wines produced from grapes such as red and white wines. However, yellow wine and Chenpi wine will be produced from glutinous rice. Accordingly, upon completion of the Construction Works, the Group will be able to effectively expand its product categories, and achieve a major strategic move towards high-quality development of the wine industry.

The Directors consider that the terms of the Construction Agreement are normal commercial terms, having been arrived at after arm's length negotiations. The Directors also consider the terms of the Construction Agreement to be fair and reasonable and that the transactions contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Construction Agreement exceeds 5% but does not exceed 25%, the transaction constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meaning:

"Board"	the Board of Directors;
"Company"	Dynasty Fine Wines Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
"Connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Consideration"	the total consideration to be paid by Dynasty Jiangsu to the Contractor pursuant to the Construction Agreement, being RMB22,326,166.58 (equivalent to approximately HK$24.53 million);
"Construction Agreement"	the agreement dated 25 September 2025 entered into between Dynasty Jiangsu and the Contractor;
"Construction Area"	a parcel of land situated at the Green Food Industrial Park in Sancang Town, Yancheng City, Dongtai City, Jiangsu Province, the PRC (中國江蘇省鹽城市東台市三倉鎮東台綠色食品工業園) with a total site area of approximately 13,000 square meters;
"Contractor"	Yancheng Tiangong Construction Engineering Co., Limited (鹽城天宮建設工程有限公司), a company established under the laws of the PRC with limited liability;
"Directors"	the directors of the Company;

"Dynasty Jiangsu"	Dynasty Fine Wines (Jiangsu) Co., Ltd* (王朝酒業(江蘇)有限公司), a company established under the laws of the PRC with limited liability and in which 51.02% of total registered capital was contributed by Sino-French Joint-Venture Dynasty Winery Company Limited, a wholly-owned subsidiary of the Company, and the remaining 48.98% was contributed by Jiangsu Jiu Zhongxian Winery Co., Ltd.* (江蘇酒中先酒業有限公司);
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China (excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan for the purpose of this announcement);
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	holders of shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules; and
"%"	per cent

* *for illustration purpose*

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK$1.00 = RMB0.910 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

By order of the Board
Dynasty Fine Wines Group Limited
Wan Shoupeng
Chairman

Hong Kong, 25 September 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wan Shoupeng, Mr. He Chongfu and Mr. Huang Manyou, three non-executive Directors, namely, Ms. Caroline Bois Heriard Dubreuil, Ms. Sophie Phe and Mr. Alain Jacques Gilbert Li, and three independent non-executive Directors, namely, Mr. Yeung Ting Lap Derek Emory, Mr. Sun David Lee and Ms. Chung Wai Hang.