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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)

KEY FINDINGS OF INTERNAL CONTROL REVIEW AND CONTINUED SUSPENSION OF TRADING

This announcement is made by China Tontine Wines Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and 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**").

References are made to (i) the announcement of the Company dated 3 December 2024 in respect of the Resumption Guidance; and (ii) the announcements of the Company dated 17 December 2024 and 17 October 2025 in respect of the additional Resumption Guidance (collectively, the "**RG Announcements**"). Unless otherwise stated, capitalised terms used herein shall have the same meaning as defined in the RG Announcements.

BACKGROUND OF THE INTERNAL CONTROL REVIEW

As disclosed in the Announcement, On 17 December 2024, the Company received the following additional resumption guidance the ("**Additional Resumption Guidance**") from the Stock Exchange:

- conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

As such, the Company has engaged Cheng & Cheng Risk Advisory Services Limited (the "**Internal Control Consultant**") as its independent internal control consultant on 24 March 2025 to conduct a comprehensive review (the "**Internal Control Review**") of the internal control system, policies and procedures of the Group, and provide corresponding recommendations for rectification to the management of the Company (the "**Management**"). The Internal Control Consultant is an independent specialist business advisory firm, and has extensive experience in reviewing and advising on the internal control and corporate governance environment of companies listed on the Stock Exchange.

The Internal Control Consultant has produced the internal control review report to the Board (the "**Internal Control Report**"), which contains (among others) the findings of the Internal Control Review, recommendations of the Internal Control Consultant and the review results of the implementation status of the remedial actions in response to the recommendations made.

This announcement outlines the key findings of the Internal Control Review, response from and remedial actions conducted by the Group.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

The Internal Control Consultant conducted a review of the Company's financial procedures, systems, and internal control elements with an aim to ensure that the Company has adequate internal controls and procedures in place to comply with its obligations under the Listing Rules.

The key internal control findings identified by the Internal Control Consultant throughout the Internal Control Review, corresponding recommendation for rectification (the "**Rectification Recommendation(s)**"), the Company's response and the remediation status are summaries as follows:

No.	Key Findings	IC Recommendations	Remediation Status
1.	**Parent Company's Control over Subsidiaries' Organization and Personnel**		
	Finding: As of 2024, the management personnel of out-of-control subsidiaries have failed to provide financial information to the Board of Directors, refused to cooperate with the annual audit work, and certain affiliated subsidiaries are not subject to the Group's control. Risk Level: High	The internal control consultant recommends that the Group formulate the "Control over Subsidiaries" Policy to provide guidance, management and supervision over subsidiaries' operations, finance, major investments, legal affairs, human resources and other aspects.	The Group has formulated the "Control over Subsidiaries" rules and regulations on January 15, 2025, which include: 1. Subsidiaries shall improve their corporate governance structure in accordance with the Companies Ordinance and relevant laws and regulations. 2. The Group shall appoint directors and senior management personnel to subsidiaries in accordance with the provisions of the Subsidiaries Ordinance.

No.	Key Findings	IC Recommendations	Remediation Status
			3. Senior management personnel shall exercise their powers within the scope authorized by the articles of association of the subsidiary where they serve, assume corresponding responsibilities, and be accountable to the Board of Directors of the Company. 4. Each functional department of the Group shall provide guidance, management and supervision over the operations of subsidiaries in accordance with the Group's internal control management Policys and measures. The internal control consultant has obtained and verified the new director appointment documents issued by the parent company to subsidiaries, confirming that the parent company has dispatched special personnel as its representatives to subsidiaries to make new appointments, standardizing the scope of responsibilities and powers of the subsidiary management.

No.	Key Findings	IC Recommendations	Remediation Status
2.	**Policy for Parent Company's Appointment of Subsidiary Directors**		
	Finding: Former Group management personnel who have resigned intentionally caused the loss of control over certain subsidiaries. The directors of the subsidiaries no longer act in accordance with the parent company's leadership, and the parent company's measures for appointing and designating directors to subsidiaries have become ineffective. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy for the appointment and designation of directors by the parent company to subsidiaries. The Group shall promptly complete the procedure for removing the non-cooperative former directors of Yantai Baiyanghe and appoint new directors to Yantai Baiyanghe to ensure the parent company's control over Yantai Baiyanghe. The Group shall formulate a management succession plan to ensure that the operation of subsidiaries is not interrupted due to personnel turnover.	Yantai Baiyanghe completed the procedure for replacing its board members on October 13, 2025. Four non-cooperative former directors have officially resigned. In their place, the Group appointed 4 new members as board members and 1 supervisor on October 13, 2025. In addition, internal control measures have been strengthened in respect of asset protection, production control, sales control, and the update of rules and regulations. The internal control consultant has obtained and verified the newly formulated "Yantai Baiyanghe Management Succession Plan" of the Group, confirming that successors have been designated for all key positions of the subsidiary.

No.	Key Findings	IC Recommendations	Remediation Status
3.	**Subsidiary Business Management**		
	Finding: The Group has not formulated an approval authority matrix to regulate the operation and approval processes of each subsidiary. Risk Level: Medium	The internal control consultant recommends that the Group formulate an approval authority matrix to clearly standardize the authorization and approval of subsidiary businesses.	The Group has formulated the "Control over Subsidiaries" rules and regulations on January 15, 2025, which clearly standardize the authorization and approval of subsidiary businesses, including the approval procedures for external investment, financing, external guarantees, internal reporting and external disclosure of major transactions or events. The internal control consultant has verified all approval records of 2025 involving subsidiary matters requiring the participation of parent company directors in the approval process, confirming that parent company directors have participated in the approval of subsidiary operational decisions in accordance with the new rules and regulations. The internal control consultant has verified the written records of reports submitted by subsidiary directors to the parent company, confirming that the parent company has implemented the approval work for major subsidiary matters in accordance with the new rules and regulations.

No.	Key Findings	IC Recommendations	Remediation Status
4.	**Subsidiary Budget and Capital Plan Management**		
	Finding: The Group has not formulated or retained the budget and capital plan statements of subsidiaries. Risk Level: Medium	The internal control consultant recommends that the Group formulate a Policy specifying the responsibilities and processes of the Finance Department in budget preparation.	The Group has formulated the "Budget Management Policy" on January 15, 2025, specifying the responsibilities and processes of the Finance Department in budget preparation, including the principles and methods of budget preparation, approval of budget preparation, execution and adjustment of budgets, budget analysis, and assessment of budget execution results. The internal control consultant has obtained and verified the 2025 capital budget statements and approval records. All companies of the Group have implemented budget management work in accordance with the new rules and regulations, and no deviations from the "Budget Management Policy" have been found.
5.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The current directors have no knowledge of the subsidiary equity transfer transactions. The former directors conducted subsidiary equity transfers without the approval of the Board of Directors. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy specifying the reporting and Board of Directors' approval processes for subsidiary equity transfers.	The Group issued the "Measures for the Administration of Subsidiary Equity Transfers" on January 15, 2025, which standardizes the reporting and approval of subsidiary equity transfers. Up to now, the Group has not conducted any new company equity transfer transactions.

No.	Key Findings	IC Recommendations	Remediation Status
6.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to retain due diligence records of the subsidiary equity transfers. The Group is unable to confirm whether due diligence on the buyers was conducted for the subsidiary equity transfer matters. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy requiring due diligence on buyers for equity transfer transactions.	The Group issued the "Measures for the Administration of Subsidiary Equity Transfers" on January 15, 2025, which standardizes the requirement for conducting due diligence on buyers for equity transfer transactions. Up to now, the Group has not conducted any new company equity transfer transactions.
7.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to retain the contract approval records of the subsidiary equity transfers. It is possible that the subsidiary equity transfer contracts were not properly approved. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the approval process of subsidiary equity transfer contracts.	The Group issued the "Measures for the Administration of Subsidiary Equity Transfers" on January 15, 2025, which stipulates that prior to the signing of contracts, they shall be reviewed by the Group's Legal Department, external legal consultants, and the Board of Directors. Up to now, the Group has not conducted any new company equity transfer transactions.
8.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to retain the seal application and approval records for the subsidiary equity transfer contracts. It is possible that the former directors signed the subsidiary equity transfer contracts without obtaining seal approval. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the seal usage process.	The Group issued the "Seal Management Policy" on January 15, 2025, which standardizes the seal usage procedures. The internal control consultant has verified the 2025 seal usage records, including the "Seal Usage Application Form", "Seal Usage Registration Form" and seal usage registration records, and no deviations from the "Seal Management Policy" have been found.

No.	Key Findings	IC Recommendations	Remediation Status
9.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to retain the documents and records of the five-item transaction tests for the corresponding subsidiary equity transfer transactions. The current directors have no knowledge of the aforementioned subsidiary equity transfer transactions. The Group is unable to confirm whether the five-item transaction tests were conducted for the aforementioned subsidiary equity transfer matters. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the five-item transaction tests for subsidiary equity transfers.	The Group issued the "Measures for the Administration of Subsidiary Equity Transfers" on January 15, 2025, clarifying that major matters such as subsidiary equity transfers must conduct the five-item transaction tests in accordance with the requirements of the "Listing Rules". Up to now, the Group has not conducted any new company equity transfer transactions.
10.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to promptly disclose the equity transfer transactions through announcements. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the announcement and disclosure process for major matters such as subsidiary equity transfers.	The Group issued the "Information Management Policy and Process" on January 15, 2025, clarifying that major matters such as subsidiary equity transfers must promptly disclose relevant information in accordance with the requirements of the "Listing Rules" and ensure the accuracy and completeness of information disclosure. Up to now, the Group has not conducted any new company equity transfer transactions.

No.	Key Findings	IC Recommendations	Remediation Status
11.	**Disclosure and Compliance Management of Subsidiary Equity Transfers**		
	Finding: The former directors failed to file and retain the documents related to the subsidiary equity transfers with the company. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the document retention process for subsidiary equity transfers.	The Group issued the "Measures for the Administration of Subsidiary Equity Transfers" on January 15, 2025, which clarifies the specifications for document retention. Up to now, the Group has not conducted any new company equity transfer transactions.
12.	**Management of External Guarantees**		
	Finding: The former directors failed to promptly disclose debt guarantee information. The current directors are unable to obtain details of the debt guarantees signed by the former directors and find it difficult to confirm whether there are other unknown debt guarantee situations. This may lead to violations of the disclosure obligations under Chapter 14 of the "Listing Rules", exposing the company to compliance risks and financial risks. Risk Level: High	The internal control consultant recommends that the Group formulate guarantee rules and regulations to clarify the disclosure process for debt guarantee matters. The Group shall also conduct a comprehensive investigation into the debt guarantee situations of all subsidiaries.	The Group has updated and issued the "Guarantee Rules and Regulations" on January 15, 2025, clarifying the disclosure process for debt guarantee matters. The Group has organized a comprehensive investigation into the debt guarantee situations of all affiliated companies, and no other debt guarantees have been found among the Group's companies so far.
13.	**Management of External Guarantees**		
	Finding: The former directors made debt guarantee decisions without the approval of the Board of Directors, increasing the company's financial and legal risks. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the approval process for debt guarantees.	The Group has updated and issued the "Guarantee Rules and Regulations" on January 15, 2025, clarifying the approval process for debt guarantee matters. Up to now, the Group has not initiated any new debt guarantee projects.

No.	Key Findings	IC Recommendations	Remediation Status
14.	**Management of External Guarantees**		
	Finding: The debt guarantee documents were signed by the former directors, but the former directors never provided the relevant debt guarantee documents to the current directors for approval or filing, and no contract filing or handover activities have been found. Therefore, it is impossible to confirm whether the Group has implemented the document filing process. Risk Level: High	The internal control consultant recommends that the Group formulate a Policy to standardize the document retention process for debt guarantee matters.	The Group has issued the "Guarantee Rules and Regulations" on January 15, 2025, clarifying the document retention process for debt guarantee matters. Up to now, the Group has not initiated any new debt guarantee projects.
15.	**Management of Loan and Financing Contracts**		
	Finding 1: The former directors made loan decisions without the consent of the Board of Directors. Risk Level: High	The internal control consultant recommends that the Group stipulate that loan and financing contracts must be reviewed by personnel of the Investment and Financing Department and take effect after being signed and sealed by directors. Loan contracts of subsidiaries must be reviewed by personnel of the subsidiary's Investment and Financing Department and take effect after being signed and sealed by the legal representative of the subsidiary.	The Group has formulated the "Loan and Financing Management Policy" on January 15, 2025, which clarifies the approval process, specifying the approval levels required for loans of different amounts and types to ensure that each loan undergoes the necessary internal approval procedures. The internal control consultant has obtained and verified the latest loan transaction documents and director approval records, and no deviations from the "Loan and Financing Management Policy" have been found.

No.	Key Findings	IC Recommendations	Remediation Status
16.	**Management of Loan and Financing Contracts**		
	Finding 2: The former directors also failed to retain the loan and financing contracts. Risk Level: High	The internal control consultant recommends that the Group establish a loan contract file management procedure, including unified numbering and classified storage of loan contracts.	The Group has formulated and improved the "Loan and Financing Management Policy" on January 15, 2025, clarifying the document retention process for loan and financing activities. The internal control consultant has obtained and verified the latest loan transaction documents and director approval records, and no deviations from the "Loan and Financing Management Policy" have been found.
17.	**Reporting Procedures for Financing Collaterals and Pledges**		
	Finding: The former directors made decisions on financing collaterals and pledges without notifying the Board of Directors, resulting in the current directors being unable to promptly understand the status of the collaterals or pledges and their impact on the company. Risk Level: High	The internal control consultant recommends that the Investment and Financing Department conduct a comprehensive review of the existing and new financing collaterals and pledges of the company, establish detailed accounting records, and regularly report to the management and the Board of Directors.	The Group updated the "Loan and Financing Management Policy" on January 15, 2025, clarifying the reporting process for financing collaterals and pledges. The Investment and Financing Department has established records of collaterals and pledges and has reported to the Board of Directors.
18.	**Repayment Process**		
	Finding: The Group has not yet formulated a repayment Policy, resulting in the lack of unified standards and processes for handling bank loans, which may lead to overdue repayments. Risk Level: Medium	The internal control consultant recommends that the Group formulate a repayment Policy, stipulating that the Financial Management Department is responsible for formulating repayment plans, including repayment timelines, amounts, and sources of funds, to ensure that the company repays loans on time and in full.	The Group updated the "Loan and Financing Management Policy" on January 15, 2025, clarifying the repayment process. The Group has not experienced any debt defaults so far.

No.	Key Findings	IC Recommendations	Remediation Status
19.	**Response Measures for Potential Defaults**		
	Finding: The Group has not established debt default response measures. The former executive directors never reported the debt mortgage situation of Tonghua Tongtian Trading Co., Ltd. to the current Board of Directors, and the mortgaged real estate has been ordered to be seized by the Nanguan District People's Court of Changchun City. Such directors have plunged the Group into a debt crisis after their resignation. Risk Level: High	The internal control consultant recommends that the Group formulate debt default response measures. In the event of a debt default, the Group shall implement the following procedures: (1) Immediately communicate with major creditors to explain the reasons for the debt default; (2) Formulate and propose specific debt restructuring plans based on the Group's financial status and solvency, and provide guarantees or credit enhancement measures; (3) Hold regular Board of Directors meetings related to the debt default to ensure that the management is informed and reaches a consensus on the implementation procedures.	The Group updated the "Loan and Financing Management Policy" on January 15, 2025, clarifying the debt default response measures. The Group has not experienced any debt defaults so far.

No.	Key Findings	IC Recommendations	Remediation Status
20.	**Financial Reporting and Disclosure Procedures**		
	Finding: The Group has not formulated a written financial reporting and disclosure Policy. Risk Level: High	The internal control consultant recommends that the Group formulate a written financial reporting and disclosure Policy.	The Group has promulgated and implemented the new "Financial Reporting and Disclosure Policy and Process" on January 15, 2025, aiming to standardize the preparation, review, and disclosure processes of financial reports and ensure the accuracy, completeness, and timeliness of financial information.
21.	**Preparation of Financial Reports**		
	Finding: Only Yantai Baiyanghe Wine Co., Ltd. within the Group uses the UFIDA financial Policy, while several other companies within the Group still use manual accounting. This makes it difficult to achieve real-time monitoring and remote query of data, which is not conducive to the Group's supervision of the financial status of each subsidiary. Risk Level: Low	The internal control consultant recommends that the Group uniformly adopt an electronic financial Policy and eliminate manual accounting.	The Group has purchased an electronic financial Policy and provided training on the electronic financial Policy to the financial department staff of each subsidiary.

No.	Key Findings	IC Recommendations	Remediation Status
22.	**Filing Procedures for Financial Documents**		
	Finding: Kuadaomao Town, Tonghua County, Jilin Province, where the Group's main operations are located, was affected by floods. Certain financial documents were soaked and damaged by floodwater. The company needs more time for restoration and sorting, resulting in the Group's failure to release the 2024 interim results report as scheduled. Risk Level: High	The internal control consultant recommends that the Group standardize the backup and emergency recovery of accounting files in the Policy, including: The Group shall establish backup and storage management for accounting vouchers, account books, statements, documents, and other valuable materials, adopting measures such as electronic storage and off-site backup to reduce the risk of document damage caused by natural disasters or other force majeure events. Establish a disaster recovery plan to ensure the rapid recovery of key financial documents and data in the event of emergencies. Conduct recovery tests every quarter to ensure the integrity and effectiveness of the Policy recovery procedures.	The Group has promulgated and implemented the new "Financial Reporting and Disclosure Policy and Process" on January 15, 2025, which standardizes the backup and emergency recovery of accounting files.

No.	Key Findings	IC Recommendations	Remediation Status
23.	**Disclosure of Financial Report Information**		
	Finding 1: Several board members, relevant core management personnel, and financial department staff of the Group resigned successively in 2024 without completing proper handover procedures. As a result, the Group failed to issue the 2024 interim results and 2024 annual results as scheduled within the time limit specified in the "Listing Rules". Risk Level: High	The internal control consultant recommends that in the event of transfer or resignation, the Group's financial staff must complete the handover procedures with the succeeding personnel. When financial staff conduct handover procedures, a special person designated by the Chief Financial Officer or Financial Manager must supervise the handover.	The Group has established the latest written "Financial Reporting and Disclosure Policy and Process" on January 15, 2025, which includes the filing of financial documents and the handover process of financial work. The Group has implemented the annual audit work in accordance with the "Financial Reporting and Disclosure Policy and Process", and the internal control consultant has not found any deviations from the aforementioned Policy.
24.	**Disclosure of Financial Report Information**		
	Finding 2: The board members and financial department staff were also unable to promptly receive the financial data of the affiliated companies as of 2024 and respond to the auditors' file requirements as audit evidence in a timely manner. As a result, the Group failed to issue the 2024 interim results and 2024 annual results as scheduled within the time limit specified in the "Listing Rules". Risk Level: High	The internal control consultant recommends that the Group establish the "Financial Reporting and Disclosure Policy and Process", which shall include: (1) Formulate an annual audit schedule and communicate with auditors; (2) Arrange the financial department staff of subsidiaries to collect annual audit documents and files in advance;	The Group's management has established the latest written "Financial Reporting and Disclosure Policy and Process", which includes the audit schedule, filing of financial documents, and the handover process of financial work. The Group has implemented the annual audit work in accordance with the "Financial Reporting and Disclosure Policy and Process", and the internal control consultant has not found any deviations from the aforementioned Policy.

No.	Key Findings	IC Recommendations	Remediation Status
		(3) The Group has established a special audit team responsible for supervising and promoting the external audit process. From the end of each fiscal year to the conclusion of the audit process, the special audit team will arrange monthly meetings with auditors; (4) The special audit team will conduct confidential communications on the issues raised by the auditors and regularly report the work progress to the Group's management.	
25.	**Establishment of Internal Control Department**		
	Finding: The Group has not yet established an internal control management organization, which may lengthen the time required for the management to identify and respond to risks. Risk Level: Medium	The internal control consultant recommends that the Group establish an internal control department, formulate internal control review procedures, and the Board of Directors shall be responsible for reviewing the internal control review reports.	The Group established the internal control department on June 1, 2025. The implementation process of internal control reviews has been established, with a review frequency of quarterly. The Board of Directors is responsible for reviewing the quarterly reports. The internal control consultant has obtained the internal control review report for the third quarter of 2025, confirming that the Group's internal control department has properly implemented the aforementioned internal control reviews.

No.	Key Findings	IC Recommendations	Remediation Status
26.	**Potential Acts Detrimental to the Group's Interests by Non-Cooperative Former Directors of Yantai Baiyanghe**		
	The non-cooperative former directors of Yantai Baiyanghe refused to cooperate with the Group's decisions and resigned voluntarily. During the period when the Group was replacing the non-cooperative former directors, the non-cooperative former directors may have used their positions to engage in acts detrimental to the Group's interests. Finding 1: The non-cooperative former directors may have embezzled the current funds of Yantai Baiyanghe. Risk Level: Low	The internal control consultant recommends that Yantai Baiyanghe strengthen the security measures for online banking U-shields and enhance the payment approval measures.	According to the investigation by the internal control consultant, the online banking payment U-shields for bank accounts have been under the custody of financial department staff, and the financial seal has been held by the deputy general manager. The non-cooperative former directors have never been in possession of the U-shields or the financial seal. According to the investigation by the internal control consultant, the financial department staff have never been requested by the non-cooperative former directors to execute bank fund transfer transactions. No evidence has been found that the non-cooperative former directors embezzled the current funds of Yantai Baiyanghe.
27.	**Potential Acts Detrimental to the Group's Interests by Non-Cooperative Former Directors of Yantai Baiyanghe**		
	The non-cooperative former directors of Yantai Baiyanghe refused to cooperate with the Group's decisions and resigned voluntarily. During the period when the Group was replacing the non-cooperative former directors, the non-cooperative former directors may have used their positions to engage in acts detrimental to the Group's interests. Finding 2: The non-cooperative former directors may have accessed or modified the accounting records of Yantai Baiyanghe without authorization. Risk Level: Low	The internal control consultant recommends that Yantai Baiyanghe strengthen the security measures such as financial Policy passwords to prevent the non-cooperative former directors from accessing or modifying the accounting records of Yantai Baiyanghe.	The internal control consultant has reviewed the financial Policy records and confirmed that the non-cooperative former directors never opened financial Policy accounts. The internal control consultant has reviewed the financial data and found no evidence that the non-cooperative former directors accessed or modified the accounting records of Yantai Baiyanghe without authorization.

No.	Key Findings	IC Recommendations	Remediation Status
28.	**Potential Acts Detrimental to the Group's Interests by Non-Cooperative Former Directors of Yantai Baiyanghe**		
	The non-cooperative former directors of Yantai Baiyanghe refused to cooperate with the Group's decisions and resigned voluntarily. During the period when the Group was replacing the non-cooperative former directors, the non-cooperative former directors may have used their positions to engage in acts detrimental to the Group's interests. Finding 3: The non-cooperative former directors may have obtained external loans or pledged assets on behalf of Yantai Baiyanghe. Risk Level: Low	The internal control consultant recommends that Yantai Baiyanghe verify whether the assets are in a mortgaged state.	The internal control consultant has verified the asset registration records of Yantai Baiyanghe and found no evidence that the non-cooperative former directors obtained external loans or pledged assets on behalf of Yantai Baiyanghe without authorization.
29.	**Potential Acts Detrimental to the Group's Interests by Non-Cooperative Former Directors of Yantai Baiyanghe**		
	The non-cooperative former directors of Yantai Baiyanghe refused to cooperate with the Group's decisions and resigned voluntarily. During the period when the Group was replacing the non-cooperative former directors, the non-cooperative former directors may have used their positions to engage in acts detrimental to the Group's interests. Finding 4: The non-cooperative former directors may have entered into contracts and made personnel decisions on behalf of Yantai Baiyanghe. Risk Level: Low	The internal control consultant recommends that Yantai Baiyanghe strengthen the security measures for seals and revoke any unauthorized personnel appointment and removal decisions made by the non-cooperative former directors. The non-cooperative former directors are not permitted and have never used seals such as the financial seal, legal person seal, or company seal.	The seals of Yantai Baiyanghe have been under the custody of special personnel. The non-cooperative former directors have never used the seals to enter into contracts on behalf of Yantai Baiyanghe. The non-cooperative former directors have never made any personnel appointment and removal decisions for Yantai Baiyanghe.

No.	Key Findings	IC Recommendations	Remediation Status
30.	**Training on New Policy for Management and Employees**		
	Finding: The management and employees may not understand the requirements of the new policies. Risk Level: Medium	The internal control consultant recommends that the Group organize training on the new policies for the management and employees.	The internal control consultant has obtained the screenshots of the Tencent Meeting for the online training "Training on Updated Rules and Regulations in 2025" and the signature confirmation records of the training participants, confirming that the relevant personnel of China Tongtian Wine Industry and its affiliated companies have completed the training on the updated rules and regulations in 2025.

COMPLETION OF THE INTERNAL CONTROL REVIEW

As at the date of this announcement, the Group has adopted and implemented all the relevant remediation work in accordance with the Rectification Recommendations as detailed above.

OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the report of Internal Control Review and the remedial actions taken by the Group, both the Audit Committee of the Company and the Board (including the independent non-executive Directors) are of the view that the enhanced internal control measures implemented by the Group based on the Rectification Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review in order to prevent, monitor and detect occurrence of similar incidents as those relating to the loss of control in subsidiaries which may cause the Company's failure to meet its obligations under the Listing Rules.

The Company has adopted all advice and recommendations suggested by the Internal Control Consultant, and has adopted, revised and/or strengthened (as applicable) relevant policies and procedures of the Company. The Internal Control Consultant has conducted a follow-up review after the implementation of relevant remedial measures on the Rectification Recommendations by the Group. After considered the Internal Control Review report and the remedial measures taken by the Company, the Board and the Internal Control Consultant is of the view that: (a) all internal control deficiencies identified in the Internal Control Report have been adequately addressed through appropriate recommended rectifications; (b) the remedial measures taken by the Company are sufficient and adequate; and (c) the Company has established sufficient and reliable governance, internal control, and reporting systems to perform its obligations under the Listing Rules.

The Board and the Internal Control Consultant will continue to monitor the effectiveness of the Company's internal control system and procedures to perform its obligations under the Listing Rules, and ensure the Group's internal control policies and procedures are reasonable and adequate, and integrate them into our operations.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m., 2 September 2024 and will remain suspended until further notice.

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

By order of the Board
China Tontine Wines Group Limited
Sun Jialiang
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 23 December 2025

* *For identification purposes only*

As at the date of this announcement, the Board comprises executive Directors, namely, Mr. Sun Jialiang, Mr. Huang Chuwu and Mr. Qiu Ziwei, the non-executive Directors are Mr. Li Jerry Y., Mr. Zhu Minghui and Mr. Guo Yuxin, and the independent non-executive Directors are Mr. Li Liang, Ms. Lui Mei Ka and Mr. Chan Wai Kit.