



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

2026 Interim Report





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Corporate Profile

Dynasty is a premier winemaker with a long historical presence in the People's Republic of China ("**PRC**") wine market. Dynasty has inherited the fine traditions and state-of-the-art expertise in winemaking from Remy Cointreau, one of the world's leading wine and spirits operators and our second largest shareholder ever since Dynasty's inception. From grapes growing, harvesting, to every single step of winemaking, Dynasty believes in quality. The entire production process is under stringent quality control to ensure the highest standards of our products. In recognition of our high standards, we were accredited with certificates of ISO 9002 in 1996, ISO 14001 in 2000, ISO 9001:2000 in 2002 and HACCP Certificate in 2006.

Dynasty has a diversified product portfolio, catering to various price segments, consumer tastes and preferences. We now make and sell over 100 types of wine products in five main categories, namely red wines, white wines, sparkling wines, ice wine and brandy. We have also introduced sauce-flavour baijiu, free run juice and craft beer to the market.

On 26 January 2005, Dynasty was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code 00828. Having strong support from our major shareholders – Tianjin Food Group Company Limited and Remy Cointreau, Dynasty continues to provide high quality and "excellent value for money" wines to all consumer segments. With enhanced facilities and continual marketing efforts, Dynasty is well positioned to capture the growth potential of the Chinese wine market. We will strive to restore to the glory of Dynasty for the future of all our stakeholders.

Financial Highlights

Unaudited For the six months ended 30 June			
	2026 HK\$'000	2025 HK\$'000	Changes
Revenue from contracts with customers	83,046	122,775	-32%
Gross profit	30,755	47,277	-35%
Profit attributable to owners of the Company	496	8,172	-94%
Basic and diluted earnings per share (HK cents)	0.04	0.58	-94%
	2026	2025	Changes in percentage point
Gross profit margin	37%	39%	-2%
	Unaudited At 30 June 2026 HK\$'000	Audited At 31 December 2025 HK\$'000	Changes
Equity attributable to owners of the Company	342,144	327,575	
Non-controlling interests	34,657	27,405	
Total equity	376,801	354,980	+6%
Total assets	558,485	564,311	-1%
Total liabilities	181,684	209,331	-13%
Gearing ratio ¹	33%	37%	-4% (in percentage point)
Net assets per share: – book value ² (HK\$)	0.243	0.233	+4%

Notes:

- Gearing ratio represents as total liabilities divided by total assets.
- Net assets per share – book value is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the reporting period.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WAN Shoupeng^(^)

Mr. HE Chongfu

Ms. ZHAO Haijing^(®) (appointed on 3 February 2026)

Mr. Huang Manyou^(®) (resigned on 3 February 2026)

Non-Executive Directors

Ms. Caroline BOIS HERIARD DUBREUIL

Ms. Sophie PHE^(®)

Mr. Alain Jacques Gilbert LI

Independent Non-Executive Directors

Mr. YEUNG Ting Lap Derek Emory^{(#)(®)(^)}

Mr. SUN David Lee^{(#)(®)(^)}

Ms. CHUNG Wai Hang^{(#)(®)(^)}

[#] Audit committee member

[&] Remuneration committee member

[^] Nomination committee member

COMPANY SECRETARY

Mr. HO Yiu Sum

AUTHORISED REPRESENTATIVES

Mr. HE Chongfu

Mr. HO Yiu Sum

LEGAL ADVISERS

Hong Kong

K&L Gates

Cayman Islands

Conyers Dill & Pearman, Cayman

The People's Republic of China

China Commercial (Tianjin) Law Firm

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Hong Kong Office

Room 4309, 43/F,

China Resources Building,

26 Harbour Road, Wanchai,

Hong Kong

Tianjin Office

No. 29 Jinwei Road, Beichen District

Tianjin City, PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKERS

China Merchants Bank

Agricultural Bank of China

China Everbright Bank

Industrial and Commercial Bank of China

Corporate Information

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations (China) Limited

COMPANY WEBSITE

<https://www.dynasty-wines.com>



ONLINE SALES WEBSITES

JD (王朝葡萄酒旗艦店 – 京東) (P.R.C.)



Tmall (王朝葡萄酒旗艦店 – 天貓) (P.R.C.)



Pinduoduo (拼多多) (P.R.C.)



<https://www.dynasty-winesshop.com> (H.K.)



SHARE INFORMATION

Listing date	26 January 2005
Stock short name	Dynasty Wines
Nominal value	HK\$0.1
Number of issued Shares	As at 30 June 2026 1,408,405,886 Shares
Board lot	2,000 Shares

STOCK CODE

The Stock Exchange of Hong Kong Limited	00828
Reuters	0828.HK
Bloomberg	828: HK

FINANCIAL YEAR END DATE

31 December

Management Discussion and Analysis

INTERIM RESULTS

The revenue of Dynasty Fine Wines Group Limited (the “**Company**” or “**Dynasty**”) and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2026 decreased by 32% to approximately HK\$83.0 million (2025: HK\$122.8 million) and the Group’s profit attributable to the owners of the Company decreased by 94% to approximately HK\$0.5 million (2025: HK\$8.2 million).

Earnings per share of the Company (the “**Share**”) for the six months ended 30 June 2026 was approximately HK0.04 cents per Share (2025: approximately HK0.58 cents per Share) based on the weighted average number of approximately 1,408 million Shares (2025: approximately 1,408 million Shares) in issue during the period under review. There was no potential dilutive Share for the six months ended 30 June 2026.

In the first half of 2026, the decrease in profit was primarily due to (i) reduction in gross profit from a significant decrease in sales revenue due to weak demand of wine consumption market in the PRC; and (ii) an increase in other income such as write-off of payables with long ageing and a decrease in administrative expenses which have partially offset the impact of revenue decline on profit.

Shareholders and investors should note that the financial information given in this interim report has not been audited.

FINANCIAL REVIEW

Income Statement

Revenue

Revenue of the Group is mainly generated from sale of wine products. For the six months ended 30 June 2026, total revenue of the Group decreased by 32% to approximately HK\$83.0 million from approximately HK\$122.8 million in the corresponding period in 2025. The decline in revenue was mainly attributable to the decrease in sales volume of products, especially middle to high-end and red wine products. The total number of bottles of wine sold decreased to approximately 3.7 million (2025: approximately 4.8 million) during the period. The Group’s average ex-winery sale price of wine products, especially red wine products, under the “Dynasty” brand (in Renminbi (“**RMB**”)) also decreased during the period under review, whereas the ex-winery sale price of white wine products maintained.

With the Group’s stronger base of dry white market in coastal regions and the new launch of products of white and sparkling wines in response to the market trend, sale of white wine remained serving as the Group’s primary revenue contributor, though sale of white wine products recorded a decrease when compared with the corresponding period in 2025. Sale of red and white wines products accounted for approximately 28% and 63% of the total revenue respectively for the period under review (2025: red and white wines: approximately 41% and 54% respectively).

Management Discussion and Analysis

Cost of sales of goods

For the six months ended 30 June 2026, the total cost of sales of goods decreased by 31% to HK\$52.3 million (2025: HK\$75.5 million).

The following table sets forth the major components of cost of sales of goods (before impact of impairment allowance of inventories) for the period under review:

	Unaudited For the six months ended 30 June	
	2026 %	2025 %
Cost of raw materials		
– Grapes and grape juice	45	47
– Yeast and additives	2	2
– Packaging materials	19	21
– Others	1	1
Total cost of raw materials	67	71
Manufacturing overheads	24	18
Consumption tax and other taxes	9	11
Total cost of sales	100	100

The principal raw materials required by the Group in producing wine products are grapes and grape juice, yeast and additives as well as packaging materials including bottles, bottle caps, labels, corks and packing boxes. During the period under review, the cost of grapes and grape juice was the key component of cost of sales and accounted for approximately 45% of the Group's total cost of sales which remained relatively stable (2025: 47%).

Manufacturing overheads primarily consisted of delivery charge, depreciation, supplies, utilities, repair and maintenance expenses, salaries and related personnel expenses for the production and related departments and other incidental expenses in relation to production process. During the period under review, the portion of manufacturing overheads in the cost of sales increased from approximately 18% in the same period of 2025 to approximately 24%, mainly due to increase in wages and depreciation charges.

Gross profit margin

Margin is calculated based on cost of sales (inclusive of consumption tax) and gross sales. The overall gross profit margin decreased to 37% for the six months ended 30 June 2026 from 39% for the corresponding period in 2025, mainly due to change of product mix at lower prices and margin adaptive to the mass market during the period.

During the period under review, the gross profit margin of red wine products and white wine products were both 38% (2025: 38% and 39% respectively), whereas the margin of other products was 30% (2025: 33%).

Management Discussion and Analysis

Other income, other gains and losses – net

Other income, other gains and losses mainly comprised of gain on disposal of obsolete products, write-off of payables with long ageing and government grant or subsidies related to enterprise development.

Other income, other gains and losses for the six months ended 30 June 2026 represented a net gain of approximately HK\$11.6 million (2025: net gain of approximately HK\$6.5 million). The increase in the net gain was mainly due to write-off of payables with long ageing during the period under review, for which certain creditors had been deregistered or related legal contractual limitation period were expired.

Distribution costs

Distribution costs principally include advertising and market promotion expenses, storage charges in connection with the sales of wine products, salaries and related personnel expenses of the sales and marketing functions and other incidental expenses. During the period under review, distribution costs accounted for approximately 33% (2025: 23%) of the Group's revenue. The distribution costs to revenue ratio increased because of increase in marketing resources, especially for promotion in instant retail sales channels, e-commerce business and new product launch, and also contributed by a decrease in revenue when compared with the corresponding period last year. The Group continued to promote and market its brand and new products effectively through a range of joint promotions with local distributors, print and outdoor advertisements, wine dinners, wine tasting events, e-channels and digital communication, event sponsorships and exhibitions. The Group will ensure that its promotional strategy is responsive to market dynamics and competition.

Administrative expenses

Administrative expenses comprised salaries and related personnel expenses for administrative, finance and human resources departments, legal and professional fees, depreciation and amortisation expenses, impairment allowance and other incidental administrative expenses.

During the period under review, administrative expenses decreased due to cost savings but as a percentage of the Group's revenue increased to 18% (2025: 15%). The increase in ratio was mainly contributed by a decrease in revenue during the period.

Finance (cost)/income – net

During the period under review, net finance income changed to net finance cost of approximately HK\$0.1 million (2025: net income of approximately HK\$0.3 million) mainly due to an increase in finance costs from bank loans obtained and drop in interest income during the period compared with the corresponding period in 2025.

Management Discussion and Analysis

Income tax expense

No provision for taxation in Hong Kong had been made as the Group did not have any assessable profit arising from Hong Kong for both periods.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Provision for the PRC Enterprise Income Tax was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries operated in the PRC.

FINANCIAL MANAGEMENT AND TREASURY POLICY

For the six months ended 30 June 2026, the Group’s revenue, expenses, assets and liabilities were substantially denominated in RMB. The funding from the operation was placed on short-term deposits (denominated in RMB, US dollars or Hong Kong dollars) with authorised financial institutions. The Group had bank borrowings denominated in RMB at fixed rates and was exposed to minimal financial risk from interest rate fluctuation. The Company would pay dividends in Hong Kong dollars when dividends were declared, if any. The Company did not implement any hedging or other derivatives against foreign exchange risk. Although the Group’s current operations would not generate any significant foreign currency exposure, the Group will continue to closely monitor foreign currency movements and adopt prudent measures as appropriate.

The purpose of the Group’s investment policy is to ensure the investment of uncommitted funds achieves the highest practicable returns while heeding the need to preserve capital and assure liquidity.

BUSINESS REVIEW

Sales analysis

A. *Distributorship and corporate activities*

For the six months ended 30 June 2026, the decrease in revenue was primarily impacted by a weak demand in wine consumer market, especially from traditional distribution channels, in the PRC. The business and sales of the Group had continued a downside trend from the end of 2025 to the first half of the year, but tend to be steady when compared with that in the second half of 2025.

In spite of the sluggish market environment, during the period under review, the Group pressed ahead with its marketing campaign showcasing in the core points of sale, hosting wine tasting events and organising plant visits, so as to keep developing and enhancing its point-of-sale network and instant retail channels. The Group held its national tour tasting and business events as well as new products launch ceremonies at various exhibitions and wine fairs, during which the Group actively promoted its latest product mix that covered all product lines.

Management Discussion and Analysis

The Group has been actively pursuing innovation, embracing the “5+4+N” product strategy, with “N” standing for developing various customised products and continuously creating new products to meet the diverse needs of different Chinese consumer groups. During the period under review, the Group continued launching new products, that can better suit different palates, and cater for consumers with different spending power. That was done with an aim to invigorate the brand, as well as consolidating the image of Dynasty representative of domestic grape wine brand.

The Group produces a wide range of more than 100 wine products under the “Dynasty” brand to meet the demands and preferences of different consumer groups mainly in the mass-market segments in the PRC wine market. During the period under review, the Group launched a new gift set product, i.e. Dynasty Chinese Zodiac Commemorative Dry Red Wine for the Bing Wu Year of Horse, integrating with the Chinese zodiac culture and the leading rise of Chinese-style fashionable products, by presenting the zodiac culture in a youthful visual language to attract potential consumers. During this period, the Group continued carrying out activities “Dragon Across the Universities (龍行高校)” in different universities and colleges to promote wine culture, further broadening the brand’s awareness and reputation among young people.

Based on its existing high-quality products, the Group continues to introduce new products and promote product upgrades. The Group participated in the 114th China Food & Drinks Fair in March 2026 and capitalised on the momentum to launch new products such as “Topsy series (微醺系列)”, to further improve its product matrix and provide consumers with diverse consumption choices, and also in response to market needs, which are very suitable for ready-to-drink scenarios among young consumers. The “Topsy Series” comprises four products, forming two distinct product lines: non-alcoholic free-run grape juice beverages and low-alcohol (alcohol by volume: 5%) sparkling wines. Its low-alcohol content provides a gentle, pleasant buzz and its sweetness comes solely from the natural sugars of the grapes; free from artificial flavours or colours, it remains pure and true to its origins, authentically showcasing the characteristics of the grape variety and the unique terroir of the region. During the China Food & Drinks Fair, the Group made a high-profile appearance with a diverse product portfolio and formats tailored to a younger demographic, sending a clear signal to the industry: while steadfastly upholding the highest standards of wine quality, the Group is continuously expanding its brand horizons through category innovation, cultural enrichment, and marketing breakthroughs to meet consumer demand for high-quality, personalised, and diverse alcoholic beverages. The Group also held wine-tasting events during the fair, where the new muscat sparkling wine and tea-flavoured wine won industry praise for their unique flavour and exquisite craftsmanship.

The quality of Dynasty’s wine has gained widespread recognition, being the designated wine for the Davos Forum for 12 consecutive years, that showcases the brand connotation of “World-class quality, Chinese terroir, and Flavour of Dynasty”.

In addition, the Group has continuously expanded the product spectrum by introducing new categories of products for ready-to-drink consumption channels such as craft beer to make up for the shortcomings of the alcoholic beverage category, and cultivated new business growth. The Group also sold chateau wine imported from France and other foreign branded wines in the PRC market through the Group’s existing distribution network to introduce some classic “old world” and “new world” varieties to cater for a market that prefers the taste of foreign premium wines.

Through innovation in product and consumption scenarios, the Group continues to enhance its product and brand influence.

Management Discussion and Analysis

B. E-commerce sales

The e-commerce team of the Group comprehensively operates online stores itself on the traditional e-commerce platforms, such as JD.com (京東商城), Tmall (天貓商城) and Pinduoduo (拼多多) for product sales, as well as comprehensive innovation on its brand, product categories, and business systems, procedures and models via interest-based e-commerce platforms, including RED (小紅書 app), Kuai (快手 app) and TikTok (抖音 app). Such effort facilitated the Group's autonomous brand communications so that it could continue to gain the attention of mainstream consumer groups and demographic segments, and enhance effective market penetration of the Group's products targeted at young consumers. The e-commerce team also actively cultivates e-commerce live broadcasting talents to further expand its sales channels so as to build up a new customer base. The Group has also strengthened the promotion of newly launched "Hi (嗨)" tea-flavoured sparkling wines and "Topsy Series (微醺系列)" in RED and TikTok during the period under review.

The Group continues investing resources in a timely manner for improvement of the online sales channels and optimisation of online stores interface so as to respond to the change of customer consumption behaviour in the PRC. The Group jointly develops exclusive products with leading e-commerce platforms, and promotes artificial intelligence ("AI") livestreaming models in various channels to increase brand exposure and livestreaming sales, adopts big data analysis to accurately understand consumer demand, and injects strong momentum into the continued expansion of market scale. During the period, the Group achieved a staged growth in online sales. To establish an online brand matrix, the Group optimised online distributors during the period. The Group believes that the online platforms not only serve as a business-to-customer trading platform between the Group and the consumers, but also an additional marketing and promotion channel for the brand, which can enhance the overall business potential of the Group.

Awards

During the period under review, the Group had boasted brilliant results in major wine appraisal competitions. Among the numerous awards, "Dynasty Dry Red Wine Seven Year Reserve" has won the Silver Award, at the 2026 International Wine & Spirit Competition ("**IWSC**"). The competition is considered the international standard for wine and spirits quality. Dynasty 5 degree Muscat Sweet Sparkling Wine (王朝5度玫瑰香低醇起泡葡萄酒) and Dynasty Eastern Tea Bubble Sparkling Wine – Maojian Tea (王朝東方起泡酒•毛尖) are also awarded at the "2025 New Alcoholic Beverage Product Competition (2025年度酒類新產品大賽)" in respective categories hosted by China Alcoholic Drinks Association. These two wines have also won the Gold Medal at the France International Wine Awards ("**FIWA**") China region, Spring 2026 for its excellent quality. These wines stood out from other entries for their elegant aroma, smooth body and round taste, and won the awards at the competitions, showing the charm and strengths of Dynasty wines to the country and the world.

Management Discussion and Analysis

Research and technology

The Group is committed to maintaining a high standard of research and technology which is essential to the sustainable growth of the Company. The post-doctoral work station in the National-level Technology Centre of the Group continues to help researching the selection of distinctive muscat yeast in order to brew more mellow and delicious wines. The centre has also set up a winemaking and wine tasting studio which has carried out rounds of wine introduction and tasting activities to date, with event focuses covering floral and fruit wine, sparkling wine, white wine, red wine and brandy. These activities have further broadened the professional competency of the studio staff and enabled Dynasty's employees to gain a greater and in-depth understanding of wine products, so as to improve their technological know-how and new product development capabilities. The premises at the National-level Technology Centre further promote the Group's research and development of new products as well as new winemaking techniques.

Supplies of grapes or grape juice

Production of quality wines greatly depends on a sufficient supply of quality grapes or grape juice. Currently, the Group has more than 10 major grape juice suppliers with whom the Group has enjoyed long-term relationship, mainly located in Tianjin, Hebei, Ningxia and Xinjiang. Ensuring reliable supplies of quality grapes and grape juice to meet the production needs of the Group's growing business is a high priority of the Group. Thus, the Group continues to actively work with vignerons to expand their existing vineyards in order to enjoy better economies of scale and equip their vineyards with state-of-the-art techniques for assuring quality. For super and ultra-premium wines, vignerons have adopted a disciplined approach to limiting harvest yields in order to deliver higher quality grapes. To optimise the supply network, the Group continuously identifies new suppliers that comply with the quality requirements, and the Group conducts thorough tests on their grape juices before orders are placed. These procedures ensure the Group to procure quality grapes and grape juice supplies and also minimise the effect of bad harvests interrupting production.

During the period under review, in addition to Tianjin region, the Group kept the direct sourcing of quality grapes harvested from Ningxia and Xinjiang regions. During the period, Tianxia Winery in Ningxia has fully carried out the local processing of grape juices in accordance with the guidance and advices provided by the Group. This process can also better ensure that the quality and freshness of grape juice (including unprocessed wines) meet the Group's standard.

Production and processing capacity

As at the end of June 2026, the Group's annual production and processing capacity maintained at 55,000 tonnes (31 December 2025: 55,000 tonnes). Such capacity is sufficient for the Group to promptly respond to the market demand and provides a platform for sustainable earnings growth.

Management Discussion and Analysis

Joint venture companies in Jiangsu and Guizhou

Dynasty Fine Wines (Jiangsu) Co., Ltd.* (王朝酒業(江蘇)有限公司) (“**Dynasty Jiangsu**”) is a joint venture established in Jiangsu in February 2025 for the manufacturing and sales of yellow wine (黃酒) and Chenpi wine (陳皮酒). Dynasty Fine Wines (Renhuai) Co., Ltd.* (王朝酒業(仁懷)有限公司) (“**Dynasty Renhuai**”) is a joint venture established in Guizhou in February 2025 for trading of sauce-flavour baijiu products nationwide in the PRC. The joint ventures are accounted for as subsidiaries of the Group.

Construction of Winery Plant in Jiangsu

In 2025, Dynasty Jiangsu entered into a construction agreement for 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 of 30 June 2026, the construction of core section: office building, workshops, warehouse and other main building, including the interior decoration and comprehensive installation of core equipment, has been basically completed, accounting for approximately 90% of the overall project progress. Production machinery is at a trial run. Apart from construction of winery plant and testing of machinery, Dynasty Jiangsu has not yet commenced operation.

Dynasty Renhuai

Dynasty Renhuai continued trading operations in 2026 after encountering a period of fluctuation in the baijiu market in the PRC at its establishment in 2025. The baijiu market is tending to be stable in 2026. Although the sales contribution was insignificant to the Group during the period, leveraging on the advantages of origin and brand, Dynasty Renhuai is actively expanding channels, promoting product structure stratification and building a diversified product matrix of sauce-flavour baijiu to increase the scale of the segment.

The establishment of these new joint ventures aim to implement Dynasty’s strategic plan, further improving the industrial layout, expanding category tracks, tapping into industry potential, creating new performance growth in the long run, and realising the Group’s transformation into a full category, full industry-chain enterprise

Put Option Update of a non-wholly owned subsidiary in Guizhou

Pursuant to the joint venture cooperation agreement in relation to the formation of Dynasty Renhuai, the joint venture company in Guizhou, during 9 months after formation of Dynasty Renhuai, in February 2025, (i) Sino-French Joint-Venture Dynasty Winery Limited (“**Dynasty Winery**”) should procure third party(ies) (which shall be key distributors of Dynasty Winery) to acquire 39% interests of Dynasty Renhuai as held by Guizhou Province Maotai Town Guowei Winery Group Co., Ltd.* (“**Guowei Company**”) (the “**Option Interests**”); or failing which (ii) Dynasty Winery shall acquire the Option Interests at a consideration (the “**Put Option**”). Upon formation of Dynasty Renhuai, the Group held 51% and Guowei Company held 49% of the equity interests respectively. On 5 January 2026, Dynasty Winery entered into a supplemental agreement to the joint venture cooperation agreement with Guowei Company, whereupon the Put Option and the execution period were extended to 30 September 2026. For details, please refer to announcements of the Company dated 5 January 2026 and 20 December 2024.

Management Discussion and Analysis

Events after the period end

No significant events had taken place after the six months ended 30 June 2026 to the date of this report.

Prospects and future plans

Looking ahead to the second half of 2026, the wine consumption market remains challenging, the Group will be cautious and continue to focus on market and consumer demand and promote product quality through technological innovation. At the same time, the Group will continue to innovate marketing strategies to stimulate brand vitality, further expand the market share of Dynasty's products, strengthen Dynasty's brand image representative of domestic wines, and set a benchmark for the Chinese wine industry, with the aim of bringing Dynasty's superior wines to more consumers in the PRC.

In addition to the Group's continued adherence to the "5+4+N" product strategy, with five major product series as the main line, facing the new trend of healthy consumption, and the rapidly growing market demand for low-alcohol and non-alcoholic wines, the Group keenly captures this market change, innovates its product categories, and increases its investment in a series of new categories such as low-alcohol tipsy wine series and tea-flavoured blended wines. These products have a unique taste, are healthy and fashionable, together with craft beer, and are very suitable for ready-to-drink scenarios among young consumers and instant retail channels. Through differentiated product strategies, the Group continues to deepen its presence among young consumer groups, and expand the consumer base to include new growth segments. Leveraging a new, youth-oriented product line, the Group will drive the development and expansion of channels—including regional e-commerce, community retail, premium convenience store chains, and discount stores—across the country.

Following the new operation of Tianxia Winery (Phase I) in Ningxia, in the second half of 2026, Dynasty Ningxia Tianxia Winery will launch new wine products that brewed from locally sourced premier grapes and grape juice – Dynasty Marselan and Syrah Red Wine. The quality wines embody the essence of terroir, strictly adhering to craftsmanship standards from planting to brewing, demonstrating the outstanding potential of Chinese wine, while the Group will continue working with distributors and partners to explore new market opportunities. Dynasty Ningxia Tianxia Winery is located in the Pigeon Hill Wine Cultural Tourism Town in Qingtongxia City, Ningxia, with "industry-tourism integration" as its core, through scene innovation, differentiated experience design and professional platform construction, the tourism town attracts tourists by providing them with an immersive vacation experience from "drinking wine" to "enjoying wine", enriching the connotation of "wine culture tourism". The Group plans to optimise the facilities and upgrade the brewing equipment of Tianxia winery to continuously improve its core competitiveness and thus strengthening the brand in the region. Any further new capital expenditures relating to Tianxia Winery, shall be funded by the Group's internal resources, borrowings or proceeds from issue of shares, if any.

Capitalising on the boom on tourism economy, the Group will also deeply integrate into the urban cultural tourism market with products such as free run juice (自流汁), "Hi (嗨)" series of tea-flavoured wine, the "Tipsy series (微醺系列)", and craft beer.

While upholding its brand heritage, further to our commitment to core wine business in the PRC, the Group developed or keeps expanding into new alcoholic beverages segments under the Dynasty brand such as sauce-flavour baijiu, craft beer, yellow wine and special yellow wine – Chenpi wine (which will be produced after completion of winery plant project), so as to diversify the sources of revenue.

Management Discussion and Analysis

As regards the Group's winery in Jiangsu, for the yellow wine project, after installation and testing of production equipment of a manufacturing plant with a tank capacity of 3,000 tonnes of yellow wine and special yellow wine – Chenpi wine in Jiangsu, the project is expected to be completed and accepted, and will be ready for production after joint trial operation by the end of the third quarter of 2026. The Group will then be able to produce special yellow wine – Dongtai Chenpi Wine which will allow the Group to effectively expand product categories, seize development opportunities in the Chinese yellow wine industry. The project expansion aims to implement Dynasty's strategic plan, further improving the industrial layout, expanding category tracks, tapping into industry potential, creating new performance growth, and realising Dynasty Group's transformation into a full category, full industry-chain enterprise.

For the e-commerce business, in the second half of 2026, the Group will continue deepening the integration of online and offline channels, and optimise an integrated online operations matrix encompassing traditional e-commerce, interest-based e-commerce, instant retail, and private traffic. The Group will capitalise on key marketing events to unlock the full value of traffic through initiatives such as livestreaming at winery, recommendations by influencers, and on-site winery tours. The Group also proactively connects instant retail platforms and partners with community group leaders and professional sales teams to expand sales channels, and actively explores new operational pathways to upgrade the online operational system.

The Group will continue to proactively develop new marketing prospects through innovation in product categories and consumption scenarios, and adjust its business strategies by seizing the development trend of ready-to-drink and younger consumer markets.

HUMAN RESOURCES MANAGEMENT

Quality and dedicated staff are the most important assets of the Group. The Group strives to ensure a strong team spirit among its employees so that they identify and contribute in unison to its corporate objectives. To this end, the Group offers competitive remuneration packages commensurate with market practices and industry levels, and provides various fringe benefits including training, medical and insurance coverage as well as retirement benefits to all employees in Hong Kong and the PRC. The Group is committed to staff training and development to support the need of the business and individuals. Employees are encouraged to enrol in external professional and technical seminars, and other training programmes and courses to update their technical knowledge and skills, enhance their market awareness and improve their business acumen. The Group has reviewed and adjusted its human resources and remuneration policies, especially the performance-based bonus award, with reference to local legislation, market conditions, industry practice and achievements of the Group's targets as well as the performance of individual employee.

The Group had a work force of 251 (including the board (the “**Board**”) of directors (the “**Directors**”)) (30 June 2025: 243) in Hong Kong and the PRC as at 30 June 2026. The total salaries and related costs (including the Directors' fees) for the six months ended 30 June 2026 amounted to approximately HK\$25.9 million (2025: HK\$23.9 million). During the period under review, the staff costs had an increase mainly as a result of an increase in headcounts of production.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to adopt a prudent approach in managing its financial resources. The principal sources of working capital of the Group during the period were funds from bank borrowings. As at 30 June 2026, the Group had net cash position of HK\$24.7 million (31 December 2025: HK\$94.4 million), including cash and cash equivalents and short-term deposits with maturity up to three months of HK\$47.6 million (31 December 2025: HK\$94.4 million) and bank borrowings due within one year of HK\$22.9 million (31 December 2025: HK\$nil). The decrease in net cash was mainly attributable to settlement of trade payables and related payments for construction of Jiangsu winery plant during the period under review.

The Group expects its cash and funds from borrowings and credit facilities to be sufficient to support its operating and capital expenditure requirements in the foreseeable future. Any further new capital expenditures and investment opportunities of the Group, including the capital contribution or expenditures relating to Dynasty Jiangsu, shall be funded by the Group's internal resources, borrowings or proceeds from issue of Shares, if any.

CAPITAL STRUCTURE

The Company maintained a sound financial position during the period. Total assets decreased from HK\$564.3 million as of 31 December, 2025 to HK\$558.5 million as of 30 June, 2026, while the total liabilities decreased from HK\$209.3 million as of 31 December, 2025 to HK\$181.7 million as of 30 June, 2026. The Group also monitored capital on the basis of the liability-to-asset ratio. As at 30 June 2026, the Group's gearing ratio (expressed as total liabilities divided by total assets, in percentage) was approximately 33% (31 December 2025: 37%). The Group's gearing ratio decreased and maintained at a sound level.

The market capitalisation of the Company as at 30 June 2026 was approximately HK\$259.1 million (31 December 2025: approximately HK\$359.1 million).

CAPITAL COMMITMENTS, CONTINGENCIES AND CHARGES ON ASSETS

The Group had capital expenditure of approximately HK\$46.8 million (31 December 2025: HK\$29.5 million) in respect of construction in progress for winery plant of Dynasty Jiangsu, ancillary facilities and purchase of equipment contracted for but not recognised as liabilities at the end of the reporting period.

The Group had no contingent liabilities and no charge on assets as at 30 June 2026 (31 December 2025: HK\$nil).

Management Discussion and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 30 June 2026, except for the capital contribution for Dynasty Jiangsu, ongoing liquidation processes of a non-major associate in Ningxia and deregistration of a non-major non-wholly owned subsidiary in Shandong, the Group had not made any material acquisitions or disposal of subsidiaries, associates or joint ventures. The latest development in the liquidation process is set out below:

The Group holds a 25% equity interest of the aforesaid associate in Ningxia. The liquidation process was substantially completed and not yet finalised as at 30 June 2026.

The Group holds a 65% equity interest of the aforesaid subsidiary in Shandong. The liquidation process had been completed the legal proceeding by the local court. The de-registration procedures were finalised in April 2026.

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend to the shareholders of the Company for the six months ended 30 June 2026.

CHANGE IN DIRECTORSHIP

Mr. Huang Manyou resigned as executive Director and ceased to be an authorised representative under Rule 3.05 of the Listing Rules (the “**Authorised Representative**”) and a member of the remuneration committee of the Company, with effect from 3 February 2026 due to his retirement. He had confirmed that there was no disagreement with the Board and there was no matter relating to his retirement that needed to be brought to the attention of the holders of securities of the Company.

Ms. Zhao Haijing was appointed as executive Director as well as a member of remuneration committee of the Company on 3 February 2026 and has obtained the legal advice and finalised procedures referred to in Rule 3.09D of the Listing Rules on 29 January 2026.

Mr. He Chongfu, general manager of the Company and an executive Director, was appointed as the Authorised Representative with effect from 3 February 2026.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”), Chapter 571 of the Laws of Hong Kong) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Management Discussion and Analysis

PERSONS HOLDING 5% OR MORE INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the interests or short positions of any person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in Shares

Name	Interests in shares other than pursuant to equity derivatives (and capacity)	Aggregate long position	Approximate percentage of the Company's issued voting share
Famous Ever Group Limited	558,000,000 ordinary Shares (beneficial owner)	558,000,000 ordinary Shares	39.62%
Tianjin Food Group Co. Ltd. (天津食品集團有限公司) (" Tianjin Food ") (Note 1)	602,792,000 ordinary Shares (interest in a controlled corporation)	602,792,000 ordinary Shares	42.80%
Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海國有資產經營管理有限公司) (" Bohai ") (Note 1)	602,813,922 ordinary Shares (interest in a controlled corporation)	602,813,922 ordinary Shares	42.80%
Tianjin TEDA Industrial Group Co., Ltd. (天津泰達實業集團有限公司) (" TEDA Industrial ") (Note 1)	602,813,922 ordinary Shares (interest in a controlled corporation)	602,813,922 ordinary Shares	42.80%
TEDA Investment Holding Co., Ltd. (天津泰達投資控股有限公司) (" Tianjin TEDA ") (Note 1)	602,813,922 ordinary Shares (interest in a controlled corporation)	602,813,922 ordinary Shares	42.80%
Remy Pacifique Limited (Note 2)	336,528,000 ordinary Shares (beneficial owner)	336,528,000 ordinary Shares	23.90%
Remy Concord Limited (Note 2)	336,528,000 ordinary Shares (interest in a controlled corporation)	336,528,000 ordinary Shares	23.90%
Remy Cointreau Services S.A.S. (Note 2)	336,528,000 ordinary Shares (interest in a controlled corporation)	336,528,000 ordinary Shares	23.90%
Remy Cointreau S.A. (Note 2)	336,528,000 ordinary Shares (interest in a controlled corporation)	336,528,000 ordinary Shares	23.90%
Orpar S.A. (Note 2)	336,528,000 ordinary Shares (interest in a controlled corporation)	336,528,000 ordinary Shares	23.90%
Andromede S.A.S. (Note 2)	336,528,000 ordinary Shares (interest in a controlled corporation)	336,528,000 ordinary Shares	23.90%

Management Discussion and Analysis

Name	Interests in shares other than pursuant to equity derivatives (and capacity)	Aggregate long position	Approximate percentage of the Company's issued voting share
Zengli Investment Group Co. LTD (Note 3)	115,394,944 ordinary Shares (beneficial owner)	115,394,944 ordinary Shares	8.19%
Tianjin Zengli Trading Group Co. LTD (Note 3)	115,394,944 ordinary Shares (interest in a controlled corporation)	115,394,944 ordinary Shares	8.19%
Li Junjie (Note 3)	115,394,944 ordinary Shares (interest in a controlled corporation)	115,394,944 ordinary Shares	8.19%
Hao Mingzhen (Note 3)	115,394,944 ordinary Shares (interest in a controlled corporation)	115,394,944 ordinary Shares	8.19%

Notes:

- (1) Based on the disclosure of interests forms filed on 3 January 2025 and 2 July 2026 (being the last disclosure of interests forms filed by the relevant entities in relation to relevant events occurred on or prior to 30 June 2026), Tianjin TEDA is a state-owned enterprise established in the PRC, which is indirectly wholly-owned by the Tianjin Municipal People's Government of the PRC. Tianjin TEDA was interested in approximately 59.52% equity interests of TEDA Industrial. TEDA Industrial was interested in the entire equity interests of Bohai. Bohai was:
- (i) interested in the entire equity interests of Tsinlien Group Company Limited (津聯集團有限公司), which in turn was interested in 21,922 Shares, representing approximately 0.002% of the issued share capital of the Company; and
 - (ii) interested in the entire equity interests of Tianjin Food, which in turn was:
 - (a) interested in the entire equity interests of Famous Ever Group Limited, which in turn was interested in 558,000,000 Shares, representing approximately 39.62% of the issued share capital of the Company; and
 - (b) interested in the entire equity interests of Tianjin Agriculture Hongyilian Investment Co., Ltd.* (天津農墾宏益聯投資有限公司), which in turn was interested in the entire equity interests of Tianjin Chenhai Enterprise Management Co., Ltd.* (天津宸海企業管理有限公司), which in turn was interested in the entire equity interests of Chenhai Investment Limited, which in turn was interested in 44,792,000 Shares, representing approximately 3.18% of the issued share capital of the Company.

Accordingly,

1. Tianjin TEDA, TEDA Industrial and Bohai were deemed to be interested in the aggregate number of Shares (being 602,813,922 Shares, representing approximately 42.80% of the issued share capital of the Company) held by (1) Tsinlien Group Company Limited (津聯集團有限公司); (2) Famous Ever Group Limited; and (3) Chenhai Investment Limited pursuant to the SFO; and
2. Tianjin Food was deemed to be interested in the aggregate number of Shares (being 602,792,000, representing approximately 42.80% of the issued share capital of the Company) held by (1) Famous Ever Group Limited; and (2) Chenhai Investment Limited pursuant to the SFO.

Mr. Wan Shoupeng, an executive Director and chairman of the Company, is also a director and chairman of Tianjin Food.

Management Discussion and Analysis

- (2) Remy Concord Limited is entitled to exercise or control the exercise of all the voting power at general meetings of Remy Pacifique Limited. Remy Cointreau Services S.A.S. is entitled to exercise or control the exercise of all the voting power at general meetings of Remy Concord Limited. Remy Cointreau S.A. is entitled to exercise or control the exercise of approximately 93% of the voting power at general meetings of Remy Cointreau Services S.A.S.. Orpar S.A. is entitled to exercise or control the exercise of approximately 52% of the voting power at general meetings of Remy Cointreau S.A.. Orpar S.A. is also entitled to exercise or control the exercise of approximately 73% of the voting power at general meetings of Recopart, which is entitled to exercise or control the exercise of approximately 19% of the voting power at general meetings of Remy Cointreau S.A.. Andromede S.A.S. is entitled to exercise or control the exercise of 100% of the voting power at general meetings of Orpar S.A.. By virtue of Part XV of the SFO, each of Remy Concord Limited, Remy Cointreau Services S.A.S., Remy Cointreau S.A., Orpar S.A. and Andromede S.A.S. is deemed to be interested in the Shares held by Remy Pacifique Limited. Ms. Caroline Bois Heriard Dubreuil, a non-executive Director, is also deputy chief executive officer of Andromede S.A.S., chairwoman of the board of directors and chief executive officer of Orpar S.A., vice-chairwoman of the board of directors and board committee members of Remy Cointreau S.A. Ms. Sophie Phe, a non-executive Director, is also an executive committee member of Remy Cointreau Group and the chief executive officer of Remy Cointreau Greater China, and also director of Remy Pacifique Limited. Mr. Alain Jacques Gilbert Li, a non-executive Director, is an independent non-executive director of Remy Cointreau S.A..
- (3) Zengli Investment Group Co. LTD. is direct wholly-owned subsidiary of Tianjin Zengli Trading Group Co. LTD, which is in turn directly owned by Li Junjie and Hao Mingzhen as to 51.22% and 48.78% respectively. By virtue of the SFO, each of Tianjin Zengli Trading Group Co. LTD and Li Junjie and Hao Mingzhen is deemed to be interested in the same parcel of shares of the Company in which Zengli Investment Group Co. LTD. is interested.

* for identification purpose

Apart from the aforesaid, as at 30 June 2026, no person, other than a Director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any securities of the Company (including sale of treasury shares) during the period under review. As at 30 June 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the code for Directors’ securities transactions (the “**Model Code**”). The Company has made specific enquiry of all Directors and that all Directors have confirmed their compliance with the required standard set out in the Model Code regarding Directors’ securities transactions throughout the six months ended 30 June 2026.

Management Discussion and Analysis

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to the shareholders and protecting and enhancing shareholder value through solid corporate governance. It devotes considerable efforts in identifying and formalising best practices. It also exerts its best efforts to ensure optimum transparency and the best quality of disclosures. The Board has been and will continue to uphold the appropriate standards of corporate governance within the Group, thereby ensuring all businesses are conducted in an honest, ethical and responsible manner and the proper processes for oversight of its businesses are in place, in operation and are regularly reviewed.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules for the six months ended 30 June 2026. The current practices will be reviewed regularly to follow the latest practices in corporate governance.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors who together have substantial experience in the fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs. The Audit Committee has reviewed this interim report for the six months ended 30 June 2026.

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

Hong Kong, 26 August 2026

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Condensed Consolidated Income Statement

For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
	Notes	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers	5	83,046	122,775
Cost of sales of goods		(52,291)	(75,498)
Gross profit		30,755	47,277
Other income, other gains and losses – net		11,615	6,500
Loss allowance recognised on financial assets – net		(135)	(494)
Distribution costs		(27,473)	(27,855)
Administrative expenses		(14,550)	(17,966)
Operating profit	6	212	7,462
Finance (cost)/income – net		(57)	272
Profit before income tax		155	7,734
Income tax expense	7	(89)	(5)
Profit for the period		66	7,729
Profit/(loss) attributable to:			
Owners of the Company		496	8,172
Non-controlling interests		(430)	(443)
		66	7,729
		HK Cents	HK Cents
Earnings per share attributable to owners of the Company for the period			
– Basic and diluted earnings per share	9	0.04	0.58

The Notes on pages 29 to 42 are an integral part of these condensed financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Unaudited	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Profit for the period	66	7,729
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	21,755	5,703
Total comprehensive income for the period	21,821	13,432
Total comprehensive income for the period is attributable to:		
– Owners of the Company	14,569	13,417
– Non-controlling interests	7,252	15
	21,821	13,432

The Notes on pages 29 to 42 are an integral part of these condensed financial information.

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	As at	
		30 June 2026 Unaudited HK\$'000	31 December 2025 Audited HK\$'000
Assets			
Non-current assets			
Property, plant and equipment	10	131,011	108,540
Right-of-use assets	11	27,773	25,288
Deposits		1,892	1,180
Prepayments		1,227	1,819
Deferred income tax assets		6,200	5,855
Total non-current assets		168,103	142,682
Current assets			
Inventories		255,344	257,991
Trade receivables	13	54,970	38,811
Notes receivable	14	–	1,332
Other receivables		14,510	11,406
Prepayments		17,931	17,231
Cash and bank balances	15	47,627	94,858
Total current assets		390,382	421,629
Total assets		558,485	564,311
Liabilities			
Non-current liabilities			
Lease liabilities		1,541	335
Current liabilities			
Trade payables	18	51,099	80,680
Other payables and accruals		80,945	99,844
Income tax liabilities		7,807	7,507
Contract liabilities		11,811	16,039
Lease liabilities		1,255	672
Bank borrowings	20	22,912	–
Financial liability arising from a put option	19	4,314	4,254
Total current liabilities		180,143	208,996
Total liabilities		181,684	209,331
Net current assets		210,239	212,633

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

		As at	
		30 June 2026 Unaudited HK\$'000	31 December 2025 Audited HK\$'000
	Notes		
Equity			
Share capital	16	140,840	140,840
Other reserves	17	1,170,799	1,156,726
Accumulated losses		(969,495)	(969,991)
Equity attributable to owners of the Company		342,144	327,575
Non-controlling interests		34,657	27,405
Total equity		376,801	354,980
Total equity and liabilities		558,485	564,311

The Notes on pages 29 to 42 are an integral part of these condensed financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Unaudited					
	Attributable to owners of the Company				Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000 (Note 17)	Accumulated losses HK\$'000	Total HK\$'000		
1 January 2025	140,840	1,152,844	(983,679)	310,005	14,318	324,323
Comprehensive income						
Profit/(loss) for the period	–	–	8,172	8,172	(443)	7,729
Other comprehensive expense						
Currency translation differences	–	5,245	–	5,245	458	5,703
Total comprehensive income	–	5,245	8,172	13,417	15	13,432
Capital contribution by non-controlling interests	–	–	–	–	17,697	17,697
Recognition of financial liability arising from a put option (Note 19)	–	–	–	–	(4,202)	(4,202)
Final dividend 2024 (Note 8)	–	(4,929)	–	(4,929)	–	(4,929)
30 June 2025	140,840	1,153,160	(975,507)	318,493	27,828	346,321
1 January 2026	140,840	1,156,726	(969,991)	327,575	27,405	354,980
Comprehensive income						
Profit/(loss) for the period	–	–	496	496	(430)	66
Other comprehensive expense						
Currency translation differences	–	14,073	–	14,073	7,682	21,755
Total comprehensive income	–	14,073	496	14,569	7,252	21,821
30 June 2026	140,840	1,170,799	(969,495)	342,144	34,657	376,801

The Notes on pages 29 to 42 are an integral part of these condensed financial information.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2026

	Unaudited	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Net cash (used in)/generated from:		
– operating activities	(66,064)	(53,005)
– investing activities	(22,516)	(5,182)
– financing activities	28,705	17,136
Net decrease in cash and cash equivalents	(59,875)	(41,051)
Cash and cash equivalents at 1 January	94,378	122,126
Changes in exchange rate	12,516	4,488
Cash and cash equivalents at 30 June	47,019	85,563

The Notes on pages 29 to 42 are an integral part of these condensed financial information.

Notes to the Condensed Financial Information

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 July 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, whilst the principal office is Room 4309, 43/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are manufacturing and sale of wine products.

The Company has its primary listing on the Main Board of the Stock Exchange.

The condensed consolidated interim financial information was approved for issue by the Board on 26 August 2026. These condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

These unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRSs**”) issued by the HKICPA.

The accounting treatments, accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRSs which effective for the financial year beginning on or after 1 January 2026.

Except as disclosed below, there are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

Notes to the Condensed Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

2.2 Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Standards	Subject
Amendments to <i>HKFRS 9</i> and <i>HKFRS 7</i>	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to <i>HKFRS 9</i> and <i>HKFRS 7</i>	<i>Contracts Referencing Nature-Dependent Electricity</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

There have been no changes in any risk management policies.

3.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

3.3 Other risk factors and fair value estimation

All other aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2025.

Notes to the Condensed Financial Information

4 ESTIMATES

The preparation of interim financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by the management of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

In addition, the loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5 SEGMENT INFORMATION

In accordance with the Group's internal reporting, the chief operating decision-maker ("CODM") considers the business from product perspective and has determined the operating segments to be red wines, white wines and all other products primarily related to the sale of sparkling wines, brandy, ice wine, craft beer and baijiu. The executive Directors (being the CODM) assess the performance of the operating segments based on gross profit. All revenue of the Group are from external customers.

	Unaudited			
	Red wines HK\$'000	White wines HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30 June 2026				
Revenue from contracts with customers	23,426	52,183	7,437	83,046
Gross profit	8,941	19,596	2,218	30,755
<i>Amounts included in the measure of segment gross profit:</i>				
Impairment allowance of inventories	–	–	–	–
Depreciation and amortisation (Note)	(472)	(1,052)	(150)	(1,674)

Notes to the Condensed Financial Information

5 SEGMENT INFORMATION (continued)

	Unaudited			
	Red wines <i>HK\$'000</i>	White wines <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2025				
Revenue from contracts with customers	50,708	66,381	5,686	122,775
Gross profit	19,234	26,162	1,881	47,277
<i>Amounts included in the measure of segment gross profit:</i>				
Impairment allowance of inventories	212	212	–	424
Depreciation and amortisation (Note)	(575)	(753)	(64)	(1,392)

Note: Depreciation and amortisation included in the cost of sales of goods.

A reconciliation of total segment gross profit to total profit before income tax is provided as follows:

	Unaudited	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Gross profit for reportable segments	30,755	47,277
Other income, other gains and losses – net	11,615	6,500
Loss allowance recognised on financial assets – net	(135)	(494)
Distribution costs	(27,473)	(27,855)
Administrative expenses	(14,550)	(17,966)
Operating profit	212	7,462
Finance (cost)/income – net	(57)	272
Profit before income tax	155	7,734

Segment gross profit represents the profit earned by each segment without allocation of distribution costs, administrative expenses, loss allowance recognised on financial assets – net, other income, other gains and losses – net, and finance (cost)/income – net. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to the Condensed Financial Information

5 SEGMENT INFORMATION (continued)

- (a) The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.
- (b) During the period, the following one (2025: one) external customer contributed more than 10% of the total revenue of the Group. These revenues were attributed to the red wine and white wine segments.

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Customer A	8,510	–
Customer B	–	25,312

- (c) Substantially all of the sales and non-current assets of the Group were from the PRC.
- (d) Disaggregation of revenue from contracts with customers

Types of customers	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Distributorship	70,286	112,467
Online sales	11,131	8,324
Retails	1,629	1,984
Total	83,046	122,775

All sales contracts are for periods of one year or less. As permitted under *HKFRS 15 Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed. The Group applies the practical expedient of not disclosing the information about its remaining performance obligation when the performance obligation is part of a contract that has an original expected duration of one year or less.

Notes to the Condensed Financial Information

6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Employee costs comprising:		
– salaries, other allowance and benefits	22,729	20,983
– contributions to retirement benefits scheme	3,193	2,925
Total employee costs including directors' emoluments	25,922	23,908
Depreciation of property, plant and equipment	1,824	1,999
Depreciation of right-of-use assets	657	332
Government grants	(226)	(544)
Net gain on disposal of property, plant and equipment	(25)	(1,499)
Write-off of payables with long ageing	(10,011)	(3,718)
Loss allowance recognised on financial assets – net	135	494

7 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Current income tax:		
Corporate income tax	198	5
Deferred income tax	(109)	–
Income tax expense	89	5

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong.

Provision for the PRC income tax has been made at the applicable rate on the estimated assessable profit for the period for each of the Group's subsidiaries. The applicable rate is principally 25% (2025: 25%).

Notes to the Condensed Financial Information

8 DIVIDENDS

During the six months ended 30 June 2025, a final dividend of HK0.35 cents per share in respect of the year ended 31 December 2024 was declared and distributable out of share premium to owners of the Company. The aggregate amount of the final dividend declared and payable amounted to approximately HK\$4,929,000. The Directors did not recommend the payment of any interim dividend to the shareholders of the Company for the six months ended 30 June 2026.

9 EARNINGS PER SHARE

The calculation of the basic earnings per Share is based on the profit attributable to the owners of the Company of HK\$496,000 (2025: HK\$8,172,000) and the weighted average number of 1,408,406,000 Shares in issue during the six months ended 30 June 2026 (2025: 1,408,406,000 Shares).

As the Group had no dilutive instruments during the six months ended 30 June 2026 and 2025, the Group's diluted earnings per Share equal to its basic earnings per Share for the six months ended 30 June 2026 and 2025.

10 CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

During the six months ended 30 June 2026, the Group acquired plant and equipment amounting to approximately HK\$1,399,000 (2025: approximately HK\$333,000) and construction in relation to winery plant in Jiangsu was approximately HK\$18,738,000 (2025: HK\$nil). As at 30 June 2026, there is capital expenditure of approximately HK\$46.8 million (31 December 2025: approximately HK\$29.5 million) in respect of construction in progress for winery plant of Dynasty Jiangsu, ancillary facilities and purchase of equipment contracted for but not recognised as liabilities at the end of the reporting period.

11 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group has acquired right-of-use assets of approximately HK\$2,416,000 (2025: approximately HK\$4,062,000) and the depreciation of right-of-use assets recognised in unaudited condensed consolidated income statement was approximately HK\$657,000 (2025: approximately HK\$332,000).

Notes to the Condensed Financial Information

12 INVESTMENT IN AN ASSOCIATE

Set out below are details of the associate of the Group as at 30 June 2026 and 31 December 2025. The country of establishment is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest
Dynasty Yuma Vineyard (Ningxia) Co. Ltd. ("Yuma")	PRC	N/A

The carrying amount of the investment in Yuma has been reduced to zero since 2012 due to the continuing losses of Yuma. The associate became inactive without any production activities since October 2011 and the liquidation process was substantially completed for the year ended 31 December 2024, subject to certain administrative procedures. The liquidation procedure was not yet finalised as at 30 June 2026.

13 TRADE RECEIVABLES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade receivables from contracts with customers	73,154	56,861
Loss allowance	(18,184)	(18,050)
Trade receivables – net	54,970	38,811

The Group granted a credit period of 90 to 180 days (31 December 2025: 90 to 180 days) to its customers. The following is an ageing analysis of net trade receivables presented based on dates of delivery of goods:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Current	36,089	25,657
More than 30 days past due	18,644	11,749
More than 90 days past due	237	1,405
	54,970	38,811

Notes to the Condensed Financial Information

13 TRADE RECEIVABLES *(continued)*

The carrying amounts of the Group's trade receivables were principally denominated in RMB.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance on trade receivables as at 30 June 2026 amounted to HK\$18,184,000 (31 December 2025: HK\$18,050,000).

14 NOTES RECEIVABLE

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Bank acceptance bills	–	1,332

As of 31 December 2025, notes receivable amounted to HK\$1,332,000 were all bank acceptance bills with maturity dates within 6 months, which were classified as financial assets at fair value through other comprehensive income.

15 CASH AND BANK BALANCES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Restricted cash (<i>Note i</i>)	608	480
Cash and cash equivalents (<i>Note ii</i>)	47,019	94,378
	47,627	94,858

(i) Restricted cash

The cash and bank included restricted cash of HK\$608,000 (31 December 2025: HK\$480,000) held by the Group. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities within the Group, which carry interest at market rates range from 0.05% to 0.1% (2025: 0.05% to 0.1%) per annum.

(ii) Cash and cash equivalents in cash flow statement

Cash at bank were primarily deposited in the banks in the PRC and were principally denominated in RMB. The balances carrying interest at variable interest rates ranging from 0.05% to 0.2% (2025: 0.05% to 0.2%) per annum.

Notes to the Condensed Financial Information

16 SHARE CAPITAL

	Number of Shares (thousands)	Share capital HK\$'000
Issued:		
As at 31 December 2025 (audited)	1,408,406	140,840
As at 30 June 2026 (unaudited)	1,408,406	140,840

17 OTHER RESERVES

	Unaudited					
	Share premium	Merger reserve	Reserve fund	Enterprise expansion fund	Exchange reserve	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note i)	(Note ii)	(Note iii)	(Note iii)	(Note iv)	
As at 1 January 2025	486,336	74,519	158,928	94,434	338,627	1,152,844
Transfer	–	–	94,434	(94,434)	–	–
Final dividend 2024	(4,929)	–	–	–	–	(4,929)
Currency translation differences	–	–	–	–	5,245	5,245
As at 30 June 2025	481,407	74,519	253,362	–	343,872	1,153,160
As at 1 January 2026	481,407	74,519	253,362	–	347,438	1,156,726
Currency translation differences	–	–	–	–	14,073	14,073
As at 30 June 2026	481,407	74,519	253,362	–	361,511	1,170,799

Notes:

(i) SHARE PREMIUM

Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business of the Company.

Notes to the Condensed Financial Information

17 OTHER RESERVES (continued)

Notes: (continued)

(ii) MERGER RESERVE

The merger reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries that were acquired and the nominal value of the Company's shares issued in exchange therefore pursuant to the Group re-organisation in preparation for listing its Shares on the Main Board of the Stock Exchange.

(iii) RESERVE FUND

According to the Articles of Association of the Group's subsidiaries established in the PRC, a percentage of net profit as reported in the PRC statutory financial statements should be transferred to reserve fund and enterprise expansion fund reserve. Following the PRC regulations, from 1 January 2025 and onwards, it is not permitted to accrue with regards to reserve fund and enterprise expansion fund reserve, which are transferred to statutory reserve fund and discretionary surplus reserve respectively. It is required to transfer at least 10% of their net profit for the year to reserve fund until the reserve balance reaches 50% of their registered capital. The reserve fund can be used to set off accumulated losses, capitalisation into capital and expansion of production.

(iv) EXCHANGE RESERVE

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the foreign operations are disposed of.

18 TRADE PAYABLES

The ageing analysis of the trade payables based on invoice date were as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
0–30 days	10,200	24,786
31–90 days	996	16,393
91–180 days	3,742	4,265
Over 180 days	36,161	35,236
	<u>51,099</u>	<u>80,680</u>

Notes to the Condensed Financial Information

19 FINANCIAL LIABILITY ARISING FROM A PUT OPTION

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Recognition of financial liability arising from a put option or balance brought forward	4,254	4,202
Change in carrying amount	(108)	(152)
Finance cost	–	91
Exchange differences charged to other comprehensive income	168	113
	4,314	4,254

On 26 February 2025, the joint venture Dynasty Renhuai has been established by the Group with a minority shareholder, of which the Group held 51% interests. During nine months after formation, the Group shall procure third party(ies) to acquire an option (being 39% interests of Dynasty Renhuai as held by the minority shareholder), failing which it shall be at the discretion of minority shareholder to require the Group to purchase the interests (being the put option) at a redemption consideration of lower of (i) fair value of net asset value of equity attributable to minority shareholder at shares of 39% of put option at the put option exercise date or (ii) paid-in capital amounted RMB3.9 million with a coupon rate per annum with reference to loan prime rate. Upon the exercise of the put option, Dynasty Renhuai shall be held as to 90% by the Group and 10% by the minority shareholder.

A gross obligation is initially recognised at an amount equal to the present value of the redemption amount that could be required to be paid to the minority shareholder, and is subsequently measured in accordance with HKFRS 9. Accordingly, subsequent changes in the measurement of the gross obligation due to the unwinding of the discount are recognised as finance cost, or changes in the amount that the Group is required to pay are always recognised in profit or loss. As at 31 December 2025, the directors of the Company have confirmed to extend the arrangement, and on 5 January 2026, the Group entered into a supplemental agreement to extend the aforementioned put option to 30 September 2026.

The Group has a dominant voting interest to direct the relevant activities of Dynasty Renhuai and therefore it continues to be accounted for as a subsidiary of the Group.

20 BANK BORROWINGS

During the six months ended 30 June 2026, the Group has entered into bank borrowing contracts with local bank institutions to withdraw RMB20 million (approximately HK\$22.9 million) (31 December 2025: HK\$nil), which are unsecured and matured within one year with fixed interest rate at 2.5% per annum.

Notes to the Condensed Financial Information

21 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions during the period which in the opinion of the Directors were conducted in the normal course of the Group's business.

(a) Related parties

The Group treated the following parties as the major related parties:

Related parties	Relationship
Tianjin Food Group Company Limited ("Tianjin Food")	Shareholder of the Company
Zengli Investment Group Co. LTD. ("Zengli Investment")	Shareholder of the Company
National Tide Era Holding Limited ("National Tide Era")	Shareholder of the Company

(b) Transactions with related parties

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Sales of goods		
– Associates of Zengli Investment	222	2,062
– Tianjin Food, its subsidiaries and associates	171	320
– Associates of National Tide Era	–	39

Notes to the Condensed Financial Information

21 RELATED PARTY TRANSACTIONS (continued)

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
(c) Outstanding balances arising from sales of goods		
Trade receivables from related parties		
– Associates of Zengli Investment	1,719	1,407
– Tianjin Food, its subsidiaries and associates	9	307
(d) Outstanding balances arising from purchases of goods and services		
(i) Trade payables to related parties		
– Tianjin Food, its subsidiaries and associates	16,311	20,012
(ii) Prepayment to related parties		
– Tianjin Food, its subsidiaries and associates (Note)	340	327

Note: The amounts represent prepayments to Tianjin Food, its subsidiaries and associates, which are unsecured, interest free and credit term within 90 days.

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
(e) Key management compensation		
Key management includes Directors (executive and non-executive), the company secretary and the senior management. The compensation paid or payable to key management for employee services is shown below:		
Short-term employee benefits	1,400	1,625
Long-term benefits	180	167
Total	1,580	1,792