
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dynasty Fine Wines Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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Dynasty Fine Wines Group Limited 王朝酒業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00828)

DISCLOSEABLE AND CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



A letter from the board of directors of Dynasty Fine Wines Group Limited (the “**Company**”) is set out on pages 4 to 10 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 11 to 12 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 25 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 17/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on 25 July 2025 at 4:00 p.m. is set out on pages 54 to 55 of this circular. A form of proxy for use at the extraordinary general meeting of the Company is enclosed with this circular.

Whether or not you are able to attend the extraordinary general meeting of the Company, you are requested to complete the accompanying form of proxy in accordance with instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding the extraordinary general meeting of the Company or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting of the Company or any adjournment thereof should you so wish.

20 June 2025

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Attributable Compensation”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Compensatory Surrender and use of proceeds” in the letter from the Board of this circular
“Board”	the board of Directors
“Company”	Dynasty Fine Wines Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Compensation”	the compensation for the Compensatory Surrender at an aggregate amount of RMB52,748,559 (equivalent to approximately HK\$57,149,035)
“Compensation Agreement”	the Compensation Agreement dated 20 May 2025 entered into between Dynasty Winery and Tianjin Yiyang in relation to the surrender of and the compensation for the Equipment
“Compensatory Surrender”	the surrender by Dynasty Winery of the Equipment to Tianjin Yiyang pursuant to the terms and conditions of the Compensation Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Dynasty Winery”	Sino-French Joint-Venture Dynasty Winery Ltd.* (中法合營王朝葡萄酒有限公司), a wholly-owned subsidiary of the Company
“Effective Condition”	the condition as set out in the paragraph headed “Effective Condition” under the section headed “The Compensation Agreement” in the letter from the Board of this circular
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Compensation Agreement and the transactions contemplated thereunder
“Equipment”	the manufacturing equipment and systems of the Group installed at the Site

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors established to advise the Independent Shareholders in relation to the Compensation Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed for the purpose of making recommendations to the Independent Board Committee and the Independent Shareholders as to the Compensation Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders other than Tianjin Yiyang and its associates (including Tianjin Food)
“Latest Practicable Date”	16 June 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Site”	the land and the property located at No. 29, Jinwei Road, Beichen District, Tianjin, PRC, land number 1201130070040010002 (BeiChenZi 105729-3)

DEFINITIONS

“Site Compensation Agreement”	the compensation agreement dated 4 March 2024 entered into between the Platform Company and Tianjin Yiyang in relation to compensation as regards demolition of the Site (including the Equipment)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Food”	Tianjin Food Group Company Limited* (天津食品集團有限公司), a controlling Shareholder
“Tianjin Yiyang”	Tianjin Yiyang Big Health Small Township Development Co., Ltd.* (天津頤養大健康小鎮建設開發有限公司)
“%”	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of HK\$1.00 = RMB0.923 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.

* for identification purpose only

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Wan Shoupeng (*chairman*)
Mr. He Chongfu (*general manager*)
Mr. Huang Manyou

Non-executive Directors

Mr. Heriard-Dubreuil Francois
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

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:

Room 4309, 43/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

20 June 2025

To the Shareholders

Dear Sirs or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 20 May 2025 in relation to the signing of the Compensation Agreement between Dynasty Winery, a wholly-owned subsidiary of the Company, and Tianjin Yiyang, pursuant to which Dynasty Winery has conditionally agreed to surrender the Equipment to Tianjin Yiyang in exchange for an aggregate compensation of RMB52,748,559 (equivalent to approximately HK\$57,149,035), being the Compensation.

LETTER FROM THE BOARD

THE COMPENSATION AGREEMENT

The principal terms of the Compensation Agreement are as follows:

Date: 20 May 2025 (after the trading hours of the Stock Exchange)

Parties: Dynasty Winery (being Sino-French Joint-Venture Dynasty Winery Ltd.) a wholly-owned subsidiary of the Company

Tianjin Yiyang (being Tianjin Yiyang Big Health Small Township Development Co., Ltd.* (天津頤養大健康小鎮建設開發有限公司))

Tianjin Yiyang is a company established in the PRC and is principally engaged in urban infrastructure construction and development, project management, leasing out of premises, provision of accommodation services, catering services, property management, corporate management and trade information consultation. It is indirectly wholly-owned by Tianjin Food.

As at the Latest Practicable Date, Tianjin Food was a controlling Shareholder interested in approximately 42.80% of the issued share capital of the Company. It is a company established in the PRC and is principally engaged in (i) modern agriculture, animal husbandry and fisheries; (ii) production and processing of food; (iii) warehousing, logistics and trade services; and (iv) real estate development. Tianjin Food is ultimately controlled by State-owned Assets Supervision and Administration Commission of Tianjin (天津市國資委).

Assets to be surrendered

The Equipment, includes, among other things, wine storage tanks (儲酒罐), mixing tanks (with agitator) (勾兌罐(帶攪拌器)), frozen insulated tanks (with agitator) (冷凍保溫罐(帶攪拌器)) and temperature-controlled wine tanks (調溫酒罐), which were installed at the Site, which in turn was owned by Tianjin Yiyang as at the Latest Practicable Date.

Compensation

The aggregate compensation for surrender of the Equipment shall be RMB52,748,559 (equivalent to approximately HK\$57,149,035).

The Compensation shall be paid in full within 15 business days after the satisfaction of the Effective Condition.

The Compensation was determined after arm's length negotiations between the Group and Tianjin Yiyang with reference to (i) the Attributable Compensation, being RMB52,748,559 (equivalent to approximately HK\$57,149,035), details of which are set out in the section headed "Reasons for and benefits of the Compensatory Surrender and use of proceeds" of this letter from the Board below, which is the same amount as the Compensation; and (ii) a then draft valuation report setting out valuation of the Equipment of approximately RMB51,657,200 (equivalent to approximately HK\$55,966,600, the "**Preliminary Valuation**") as at 31 December 2024 based on the valuation conducted by an independent valuer adopting the replacement cost approach (重置成本).

LETTER FROM THE BOARD

Set out in appendix I to this circular is the valuation report on the Equipment issued by Tianjin Huaxia Jinxin Assets Valuation Co., Ltd.* (天津華夏金信資產評估有限公司) (the “**Asset Valuation Report**”), an independent valuer, whereupon the Equipment was valued at RMB51,657,200 (equivalent to approximately HK\$55,966,600) as at 31 December 2024 adopting the replacement cost approach. The Asset Valuation Report is the finalised version of the Preliminary Valuation.

Effective Condition

The obligations of the parties under the Compensation Agreement shall become effective upon the passing of the necessary resolution(s) by the Independent Shareholders at the EGM approving the Compensation Agreement and the transactions contemplated thereunder (being the Effective Condition).

As at the Latest Practicable Date, the Effective Condition had not been satisfied.

Transfer of ownership of the Equipment

After payment of the Compensation, the ownership of the Equipment shall be transferred to Tianjin Yiyang. Thereafter, Tianjin Yiyang shall have the right to operate and dispose of the Equipment thereafter.

Force Majeure

Both parties to the Compensation Agreement shall not be liable for any failure to perform the obligations under the Compensation Agreement if such failure is due to force majeure factors such as natural disasters and changes in national laws and policies, provided that all necessary remedial measures shall be taken to reduce the losses caused by force majeure. If a party breaches the Compensation Agreement and a natural disaster occurs, such breaching party shall not be relieved from any liabilities.

REASONS FOR AND BENEFITS OF THE COMPENSATORY SURRENDER AND USE OF PROCEEDS

Background of the Site

The principal activities of the Group are investment holding as well as manufacturing and sale of wine products in the PRC. Dynasty Winery is a wholly-owned subsidiary of the Company and is principally engaged in the manufacturing and sale of wine products in the PRC.

The Group was initially the owner of the Site, which was developed after the style of a European wine chateau in 2010 containing a wine museum, with related facilities including a wine blending and temperature control centre, as well as a technical centre (the “**Chateau Land**”). The Chateau Land acted as a high-end premises integrating the experience of wine tasting and wine culture with sightseeing tourism, leisure entertainment, shopping, as well as catering and accommodation. The Equipment was installed at the aforesaid wine blending and temperature control centre.

In March 2013, trading in the Shares was suspended on the Stock Exchange pending investigation of allegations against certain transactions of the Group. It was later resumed in mid-2019 upon fulfilment of the resumption conditions.

LETTER FROM THE BOARD

During the period of trading suspension, the Group decided in 2016 that while the Chateau Land could no longer serve its original purpose of enhancing the Group's marketing and business development, and the related facilities were not used as the Group's production, it was best to dispose of the Chateau Land in order to focus its resources on its core wine production and distribution businesses. In 2018, the Group entered into a disposal agreement with Tianjin Yiyang to dispose of the Chateau Land (the "**Chateau Land Disposal**"). At that time, the Equipment did not form part of the Chateau Land Disposal because the Equipment, although having been lying idle for some time, was relatively new and the Group considered it might be able to disassemble them for self-use purpose or for further sale in order to benefit the Group.

Completion of the Chateau Land Disposal took place in January 2020. However, the Covid-19 pandemic ensued and the Group had stalled any plans as regards the Equipment, and it remained installed at the Site.

Government development of "The Central and Eastern European Characteristic Town Industrial Park"

The Tianjin Municipal People's Government is re-developing the Beichen District of Tianjin, where the Site is situated, into "The Central and Eastern European Characteristic Town Industrial Park* (中東歐特色小鎮產業園區)" (the "**Re-development**"), which is a municipal characteristic town project. The Tianjin Municipal People's Government approved the establishment of a platform company (the "**Platform Company**") to co-ordinate among the different departments under the People's Government of Beichen District, Tianjin with regard to land resumption as well as relevant construction of the Re-development.

Tianjin Food, as an enterprise operating under the State-owned Assets Supervision and Administration Commission of Tianjin (天津市國資委), holds approximately 46% interests in the Platform Company.

The Site (including the Equipment) is subject to the expropriation and demolition for the Re-development. In particular, the buildings where the Equipment is installed occupy the planned roads and need to be demolished as a whole. The Platform Company and Tianjin Yiyang had entered into the Site Compensation Agreement as regards demolition of the Site and the relevant compensation. Of the compensation payable under the Site Compensation Agreement, the amount of compensation attributable to the Equipment (the "**Attributable Compensation**") amounted to RMB52,748,559 (equivalent to approximately HK\$57,149,035), which is the same amount as the Compensation.

Accordingly, Tianjin Yiyang and Dynasty Winery entered into the Compensation Agreement as regards the Equipment, with the Compensation being arrived at after arm's length negotiations with reference to (i) the Attributable Compensation; and (ii) the Preliminary Valuation.

The initial acquisition costs of the Equipment were approximately RMB41,360,000 (equivalent to approximately HK\$44,800,000). The net book value (after impairment) of the Equipment as included in the Company's consolidated financial statements as at 31 December 2024 was approximately HK\$2,780,000. The net book value of the Equipment stated in Asset Valuation Report of approximately RMB4,136,000 (equivalent to approximately HK\$4,481,000) was the accounting book value in the fixed assets ledger of Dynasty Winery, the difference of aforesaid net book values was due to the impairment loss of approximately HK\$1,701,000 recognised in previous years in the Company's consolidated financial statements.

LETTER FROM THE BOARD

The net proceeds (net of value added tax) amounting to approximately RMB46,680,000 (equivalent to approximately HK\$50,570,000) from the Compensatory Surrender will be applied by the Group (i) as to approximately 40% for procurement of new equipment, as well as for upgrade of existing equipment; (ii) as to approximately 30% for marketing and promotion, including expansion of marketing channel in the Group's core markets; and (iii) as to approximately 30% for online business development.

An unaudited net gain (before effect of income tax) from the Compensatory Surrender of approximately RMB44,120,000 (equivalent to approximately HK\$47,800,000) (calculated by the following formula: Compensation – remaining net book value (after impairment) of the Equipment – value added tax) is estimated to be recorded in the consolidated financial statements of the Company. However, Shareholders should note that the exact amount of gain/loss of the Compensatory Surrender to the Group will be calculated based on the net book value (after impairment) of the Equipment as at the completion date of the Compensatory Surrender, and is subject to audit, and therefore may be different from the amount mentioned above.

Pursuant to a PRC legal opinion obtained by the Group, in the event the resolution approving the Compensation Agreement and the transactions contemplated thereunder is not passed by the Independent Shareholders at the EGM, the Effective Condition would not be satisfied and the Compensation Agreement would have no legal effect. The parties may re-negotiate regarding the terms of the Compensation Agreement to address the Shareholders' concerns. In the event no consensus can be reached thereafter, the Platform Company and Tianjin Yiyang will be entitled to commence legal proceedings including application for administrative ruling and civil action in order to for Dynasty Winery to surrender the Equipment within a time limit to ensure the smooth progress of the Re-development.

The terms of the Compensation Agreement are on normal commercial terms and have been negotiated on an arm's length basis. The Directors consider the terms of the Compensation Agreement fair and reasonable so far as the Independent Shareholders are concerned, and although the entering into of the Compensation Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the Compensatory Surrender is in the interest of the Company and the Independent Shareholders as a whole.

THE LISTING RULES IMPLICATION

As some of the applicable percentage ratios as defined under Rule 14.04 of the Listing Rules for the Compensatory Surrender exceed 5% but are less than 25%, the Compensatory Surrender constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Tianjin Yiyang is indirectly wholly-owned by Tianjin Food, which in turn is a controlling Shareholder interested in approximately 42.80% of the issued share capital of the Company, Tianjin Yiyang is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Compensatory Surrender also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular, independent financial advice and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

An Independent Board Committee has been formed to advise the Independent Shareholders on the Compensation Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The Company will seek the Independent Shareholders' approval of the Compensation Agreement and the transactions contemplated thereunder at the EGM by way of poll whereby Tianjin Yiyang and its associates (including Tianjin Food) shall abstain from voting. As at the Latest Practicable Date, Tianjin Food held 602,792,000 Shares that will abstain from voting.

As at the Latest Practicable Date, Mr. Wan Shoupeng, an executive Director, was also a director and chairman of Tianjin Food. Accordingly, Mr. Wan Shoupeng is considered to have a material interest in the Compensation Agreement. He had abstained from voting at the Board meeting approving the Compensation Agreement. For good corporate governance reasons due to their previous senior positions held at the subsidiaries of Tianjin Food, the remaining executive Directors, namely Mr. He Chongfu and Mr. Huang Manyou, had also abstained from voting at the Board meeting approving the Compensation Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Director had a material interest in the Compensation Agreement and therefore no other Director was required to abstain from voting on the Board resolution in relation to the Compensation Agreement.

A notice convening the EGM to be held at 17/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on 25 July 2025 at 4:00 p.m. is set out on pages 54 to 55 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the EGM or any adjourned meeting should you so wish. In such event, the proxy form shall be deemed to be revoked.

For the purpose of ascertaining and determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will close from Tuesday, 22 July 2025 to Friday, 25 July 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 21 July 2025.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll. Accordingly, the resolution to be considered and, if thought fit, passed at the EGM will be put to vote by poll by the Shareholders. The Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms of the Compensation Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Compensatory Surrender is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Compensation Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser and the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Dynasty Fine Wines Group Limited
Wan Shoupeng
Chairman



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)

20 June 2025

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to the circular dated 20 June 2025 (the “**Circular**”) of Dynasty Fine Wines Group Limited (the “**Company**”) of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context requires otherwise.

We, being the independent non-executive Directors, have been appointed to form the Independent Board Committee to advise you as to whether the terms of the Compensation Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the entering into of the Compensation Agreement is in the interests of the Company and the Shareholders as a whole.

Octal Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Compensation Agreement.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 10 of the Circular and the letter from the Independent Financial Adviser as set out on pages 13 to 25 of the Circular which contain, among other things, their recommendations to us regarding the terms of the Compensation Agreement and the principal factors and reasons taken into consideration for their recommendations.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having taken into account the recommendations of Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at their opinion, we consider that the terms of the Compensation Agreement are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned and although the entering into of the Compensation Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the Compensation Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Compensation Agreement and the transactions contemplated thereunder.

Yours faithfully,

Mr. Yeung Ting Lap Derek Emory Mr. Sun David Lee Ms. Chung Wai Hang
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Octal Capital Limited, the Independent Financial Adviser, which has been prepared for inclusion in this circular.



Octal Capital Limited
801-805, 8th Floor
Nan Fung Tower
88 Connaught Road Central, Hong Kong

20 June 2025

*To: The Independent Board Committee and
the Independent Shareholders*

Dear Sirs or Madams,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Compensation Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the circular of the Company dated 20 June 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 20 May 2025 (after trading hours), Dynasty Winery, a wholly-owned subsidiary of the Company, entered into the Compensation Agreement with Tianjin Yiyang, pursuant to which Dynasty Winery has conditionally agreed to surrender the Equipment to Tianjin Yiyang in exchange for an aggregate compensation of RMB52,748,559 (equivalent to approximately HK\$57,149,035), being the Compensation.

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yeung Ting Lap Derek Emory, Mr. Sun David Lee and Ms. Chung Wai Hang, has been established to advise the Independent Shareholders whether the terms of the Compensation Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account our recommendation.

We, Octal Capital Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards. As at the Latest Practicable Date, we were not connected with the Group, Tianjin Yiyang or, where applicable, any of their respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 13.84 of the Listing Rules. During the last two years, there was no engagement between the Company and us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Compensatory Surrender, and accordingly, are eligible to give independent advice and recommendations on the Compensatory Surrender. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the statements, information, opinions and representations relating to the operations, financial condition and prospects of the Group contained or referred to in this Circular and/or provided to us by the Company and the management of the Group. We have assumed that such information and any representation made to us were true, accurate and complete in all material respects as at the Latest Practicable Date and considered that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in this Circular have been arrived at after due and careful consideration and there are no other material facts not contained in this Circular, the omission of which would make any such statement made by them that contained in this Circular misleading in all material respects. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld.

Our review and analyses were based upon, among others, the information provided by the Group including this Circular, the asset valuation report (the “**Asset Valuation Report**”) of the Equipment prepared by Tianjin Huaxia Jinxin Assets Valuation Co., Ltd (天津華夏金信資產評估有限公司) (the “**Independent Valuer**”) as set out in Appendix I of this Circular, and certain published information from the public domain, including but not limited to, the annual reports of the Company for the years ended 31 December 2023 and 31 December 2024. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group and their respective associates, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Compensation Agreement, we have considered the following principal factors and reasons:

1. Background and financial information of the Group

(a) Background of the Group

The Group is principally engaged in manufacturing and sale of wine products in the PRC. Dynasty Winery is a wholly owned subsidiary of the Company.

(b) Financial performance of the Group

Revenue of the Group comprises sales of red wines (the “**Red Wines Segment**”), sales of White wines (the “**White Wines Segment**”) and others (the “**Other Segment**”). The table below sets out the audited financial information of the Group for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 (the “**FY2022**”, “**FY2023**” and “**FY2024**”), extracted from the annual reports of the Company for FY2023 and FY2024.

	FY2022	FY2023	FY2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Red Wines Segment	113,726	137,888	110,937
White Wines Segment	121,845	114,862	150,613
Other Segment	5,792	10,051	9,822
Total revenue	241,363	262,801	271,372
Gross profit	92,353	90,666	104,720
Net profit after tax	15,493	20,608	33,540
Gross profit margin	38.3%	34.5%	38.6%
Net profit after tax margin	6.4%	7.8%	12.4%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2023 vs FY2022

Revenue of the Group increased by approximately 8.9% from HK\$241.4 million for FY2022 to HK\$262.8 million for FY2023, which was mainly attributable to the recovery increase in sales volume of products, especially middle-end wine products, during FY2023. Revenue generated from the Red Wines Segment increased by approximately 21.2% to HK\$137.9 million for FY2023 as compared to HK\$113.7 million for FY2022, which was mainly due to the resumption of consumption after pandemic control in FY2023. Revenue generated from the White Wines Segment decreased by approximately 5.7% to HK\$114.9 million for FY2023 as compared to HK\$121.8 million for FY2022, which was mainly due to fluctuation of product portfolio mix after the pandemic.

Gross profit decreased by approximately 1.8% from HK\$92.4 million for FY2022 to HK\$90.7 million for FY2023, and the overall gross profit margin decreased from 38.3% for FY2022 to 34.5% for FY2023. The above decreases were mainly due to the increase in the reimbursement of marketing expenses under sales arrangement and delivery charge during FY2023.

Net profit after tax increased by approximately 33.0% from HK\$15.5 million for FY2022 to HK\$20.6 million for FY2023, and the net profit after tax margin increased from approximately 6.4% for FY2022 to 7.8% for FY2023. The above increases were mainly due to (i) the increase in other income, other net gains; and (ii) the decrease in distribution costs and administrative expenses. The increase in net gain was mainly due to increase in write-off of long ageing payables of approximately HK\$2.3 million and increase in gain on disposal of property, plant and equipment of approximately HK\$5.5 million

FY2024 vs FY2023

Revenue of the Group increased by approximately 3.3% from HK\$262.8 million for FY2023 to HK\$271.4 million for FY2024, which was mainly attributable to the improvement in sales mix of products, especially moderate increase in middle-end wine products, during FY2024. Revenue from the Red Wines Segment declined by approximately 19.5%, from HK\$137.9 million in FY2023 to HK\$110.9 million in FY2024, primarily attributable to change in product portfolio mix. Revenue from the White Wines Segment increased by approximately 31.1% from HK\$114.9 million in FY2023 to HK\$150.6 million in FY2024, mainly due to new consumption scenario and the Group's continuing effort on the segment.

Gross profit increased by approximately 15.5% from HK\$90.7 million for FY2023 to HK\$104.7 million for FY2024, and the overall gross profit margin increased from 34.5% for FY2023 to 38.6% for FY2024. The above increases were mainly due to the control of production costs and reduction in certain reimbursements of market expenses under sales arrangements during FY2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Net profit after tax increased by approximately 62.8% from HK\$20.6 million for FY2023 to HK\$33.5 million for FY2024, and the net profit after tax margin increased from approximately 7.8% for FY2023 to 12.4% for FY2024. The above increases were mainly due to (i) the growth in operating profit, which benefited from a moderate increase in sales revenue and gross profit, as well as continuous innovation in products and consumption scenarios by the Group in the PRC; and (ii) other gains arising from emoluments by certain former Directors in prior years waived, amounting to approximately HK\$12.2 million and government grants during FY2024.

(c) Financial position of the Group

Set out below is the consolidated statement of financial position of the Group as at 31 December 2023 and 31 December 2024 respectively as extracted from the annual report of the Company for FY2024:

	As at 31 December 2023 <i>approximately</i> HK\$'000 (audited)	As at 31 December 2024 <i>approximately</i> HK\$'000 (audited)
Non-current assets	102,254	140,519
Cash and cash equivalents	166,741	122,592
Other current assets	309,893	317,416
Total assets	578,888	580,527
Current liabilities	277,783	255,893
Non-current liabilities	1,187	311
Total liabilities	278,970	256,204
Net assets	299,918	324,323
Gearing ratio	48%	44%

As at 31 December 2023, total assets of the Group were approximately HK\$578.9 million which mainly comprised of (i) inventories of approximately HK\$235.7 million; (ii) cash and bank balances of approximately HK\$166.7 million; and (iii) property, plant and equipment of approximately HK\$71.3 million, whilst total liabilities of the Group were approximately HK\$279.0 million, which mainly included (i) trade payables of approximately HK\$115.5 million; and (ii) other payables and accruals of approximately HK\$124.9 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2024, total assets of the Group were approximately HK\$580.5 million which mainly comprised of (i) inventories of approximately HK\$231.3 million; (ii) cash and bank balances of approximately HK\$122.6 million; and (iii) property, plant and equipment of approximately HK\$118.2 million, whilst total liabilities of the Group were approximately HK\$256.2 million, which mainly included (i) trade payables of approximately HK\$101.2 million; and (ii) other payables and accruals of approximately HK\$124.3 million.

The Group had total assets of approximately HK\$580.5 million as at 31 December 2024, representing an increase of approximately HK\$1.6 million from approximately HK\$578.9 million as at 31 December 2023, which was mainly attributable to the increase in the property, plant and equipment as at 31 December 2024 and increase in net profit attributable to owners of the Company in FY2024. The Group had total liabilities of approximately HK\$256.2 million as at 31 December 2024, representing a decrease of approximately HK\$22.8 million from approximately HK\$279.0 million as at 31 December 2023, which was mainly attributable to the decrease in trade payables and contract liabilities as at 31 December 2024. Due to the above-mentioned offset effects, the net asset of the Group increased by approximately 8.1% from HK\$299.9 million as at 31 December 2023 to HK\$324.3 million as at 31 December 2024.

In addition, the Group had cash and cash equivalents of approximately HK\$122.1 million as at 31 December 2024, representing a decrease of approximately HK\$44.1 million as compared with that of HK\$166.2 million as at 31 December 2023.

As at 31 December 2024, the Group had no borrowings, whereas its gearing ratio (expressed as total liabilities divided by total assets, in percentage) was approximately 44%, down from 48% as at 31 December 2023.

2. Background information of the Equipment

With reference to Appendix II to the Circular and information provided by the Group, the Equipment comprises, among other things, 28 wine storage tanks (儲酒罐) with a total capacity of 7,680 tons, 8 mixing tanks (with agitator) (勾兌罐(帶攪拌器)) with a total capacity of 2,880 tons, 36 frozen insulated tanks (with agitator) (冷凍保溫罐(帶攪拌器)) with a total capacity of 4,320 tons and 42 temperature-controlled wine tanks (調溫酒罐) with a total capacity of 4,680 tons, and piping and temperature control system.

As outlined in the Letter from the Board, the Group originally owned the Site, developed in 2010 as Chateau Land, a premium venue combining wine tasting, wine culture, sightseeing, leisure, shopping, catering, and accommodation. The Equipment was installed at the wine blending and temperature control centre within this Site.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Reasons for and benefits of the Compensatory Surrender

According to the Letter from the Board, the Tianjin Municipal People's Government is re-developing the Beichen District of Tianjin, where the Site is situated. Therefore, the Site (including the Equipment) is subject to the expropriation and demolition for the re-development. In particular, the buildings where the Equipment is installed occupy the planned roads and need to be demolished as a whole. The Platform Company and Tianjin Yiyang had entered into the Site Compensation Agreement as regards demolition of the Site and the relevant compensation. Of the compensation payable under the Site Compensation Agreement, the amount of compensation attributable to the Equipment amounted to RMB52,748,559 (equivalent to approximately HK\$57,149,035), which is the same amount as the Compensation.

The net proceeds (net of value added tax) amounting to approximately RMB46,680,000 (equivalent to approximately HK\$50,570,000) from the Compensatory Surrender will be applied by the Group (i) as to approximately 40% for procurement of new equipment, as well as for upgrade of existing equipment; (ii) as to approximately 30% for marketing and promotion, including expansion of marketing channel in the Group's core markets; and (iii) as to approximately 30% for online business development.

According to the Company's FY2024 annual report, the production lines of the Group, other than those in relation to the Equipment, have been in use for years and subject to decline in productivity. The production department has continued to research for upgrade the technology of the production lines and to introduce suitable equipment to enable the Group to enhance production efficiency. By utilizing a portion of the Compensation to acquire equipment and upgrade existing systems, the Group could effectively address these operational challenges, enhancing the efficiency, reliability, and scalability of its production processes to meet evolving customer demands.

Moreover, as stated in the prospects and future plans in the FY2024 annual report, the Group will continue to innovate marketing strategies to stimulate brand vitality and strengthen brand image as a representative of domestic wines, and further expand the market share of the Group's products. Allocating net proceeds to marketing and promotional efforts could expedite these strategies, enhancing expansion of the Group's customer base and strengthening its competitive position in the Group's core market.

In addition, the Group recorded online sales of approximately HK\$24.6 million for FY2024, accounting for approximately 9.1% of the total revenue of the Group for FY2024. Except for its established distribution channels, the Group will focus on accelerating its online sales strategy to expand its customer base, targeting a broader base of end-consumers in the PRC. By allocating the remaining 30% of the Compensation to this initiative, the Group could strategically develop and expand its online market presence, optimizing digital platforms and marketing efforts to achieve deeper penetration of the online sales market and drive sustainable, long-term revenue growth.

Based on our discussion with the Group, the Equipment has remained idle for over five years. By offloading the Equipment, the Group can secure funds to develop its core operations, specifically enhancing production capabilities and strengthening marketing initiatives, as outlined earlier. The Compensatory Surrender would avail the Group with funding resources to effectively, driving innovation, improving operational efficiency, and supporting long-term growth in its primary wine production and distribution businesses. Therefore, we are of the view with the Directors that the entering into the Compensation Agreement is with reasonable commercial rationale and justifiable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Principal terms of the Compensation Agreement

Below are the major principal terms of the Compensation Agreement as extracted from the Letter from the Board:

Date

20 May 2025 (after the trading hours of the Stock Exchange)

Parties

- (i) Dynasty Winery, a wholly-owned subsidiary of the Company; and
- (ii) Tianjin Yiyang (天津頤養大健康小鎮建設開發有限公司)

Subject Matter

In accordance with the terms and conditions of the Compensation Agreement, Dynasty Winery has conditionally agreed to surrender the Equipment to Tianjin Yiyang.

Compensation

The aggregate compensation for surrender of the Equipment shall be RMB52,748,559 (equivalent to approximately HK\$57,149,035), which was determined after arm's length negotiations between the Group and Tianjin Yiyang with reference to (i) the Attributable Compensation, the amount of which is the same as the Compensation; and (ii) the Asset Valuation Report setting out valuation of the Equipment (the “**Valuation**”) of approximately RMB51,657,200 (equivalent to approximately HK\$55,966,600) as at 31 December 2024 based on the valuation conducted by the Independent Valuer adopting the replacement cost approach as referred to in Appendix I to the Circular.

The Compensation represents a premium of approximately 2.1% over the Valuation.

Payment Terms

The Compensation shall be paid in full within 15 business days after the satisfaction of the Effective Condition.

Effective Condition

The obligations of the parties under the Compensation Agreement shall become effective upon the passing of the necessary resolution(s) by the Independent Shareholders at the EGM approving the Compensation Agreement and the transactions contemplated thereunder (being the Effective Condition).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Valuation of the Equipment to be surrendered

As disclosed in the Letter from the Board, the Compensation was determined after arm's length between the Group and Tianjin Yiyang with reference to (i) the Attributable Compensation, the amount of which is the same as the Compensation; and (ii) the Valuation of approximately RMB51,657,200 (equivalent to approximately HK\$55,966,600) as at 31 December 2024 based on the valuation conducted by the Independent Valuer adopting the replacement cost approach.

The Independent Valuer was engaged to prepare the Asset Valuation Report which sets out independent valuation on the market value of the Equipment as at 31 December 2024. The Asset Valuation Report has been prepared in compliance with the relevant professional standards issued by China Appraisal Society. For our due diligence purpose, we have reviewed and enquired into (i) the terms of engagement of the Independent Valuer with Dynasty Winery; and (ii) the Independent Valuer's background and qualification in relation to the preparation of the Asset Valuation Report. We note that there were no limitations on the scope of work for conducting the Valuation and the scope of work is appropriate to the opinion given. In respect of the qualification of the Independent Valuer, we understand that the Independent Valuer is an asset appraisal agency with qualifications granted by the Ministry of Finance and the China Securities Regulatory Commission. Based on our further research, we note that the Independent Valuer is included in the directory of registered asset appraisal institutions engaged in securities service business as listed on the China Securities Regulatory Commission's official website. From the information including biography details and relevant qualification certificates provided by the Independent Valuer and based on our discussion with them, we understand that Mr. Shen, being the asset appraiser of the Independent Valuer, has been a member of the China Appraisal Society qualified to practice as an asset valuer since 1997. We have verified his membership as an asset valuer in the official website of China Appraisal Society and also observed that there have been no disciplinary actions taken against him within the past three years. In addition, Mr. Shen has over 34 years of experience in valuation projects for state-owned and listed companies in the PRC across various industries, including heavy industry, food production, pharmaceutical, banking and finance, technology, energy and resources, etc. Mr. Shen has also confirmed that both the Independent Valuer and he are independent to the Group and Tianjin Yiyang. Therefore, we were satisfied with the Independent Valuer's qualification and experiences for preparation of the Asset Valuation Report.

In assessing the fairness and reasonableness of the Compensation, we have reviewed the Asset Valuation Report and upon our further discussion with the Independent Valuer, we understand that the Independent Valuer has adopted replacement cost approach in arriving the appraised value of the Equipment to be surrendered after considering other valuation approaches as stated in the Asset Valuation Report:

The income approach in manufacturing equipment appraisal refers to a specific model where the expected income is capitalized or discounted to determine the value of the appraised subject. According to the Asset Valuation Report, the Independent Valuer concluded that as no necessary data related to the income approach for the Equipment, it is not appropriate to adopt the income approach for the Valuation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The market approach refers to the appraisal method where the appraised subject is compared against comparable transactions to determine the value of appraised subject. According to the Asset Valuation Report, the Independent Valuer concluded that as no transaction cases similar or comparable to the appraised subject are available in the market, it is not appropriate to adopt the market approach for the Valuation.

The replacement cost approach refers to the appraisal method where the relevant assets of the appraised subject can be used or is being used and can be acquired through replacement that the replacement cost of the relevant assets and the relevant depreciation can be reasonably estimated. According to the Asset Valuation Report, the Independent Valuer considered that the Equipment remains in operational condition and thus full replacement cost of the Equipment can be reasonably measured. Therefore, the replacement cost approach is considered appropriate and adopted for the Valuation.

In addition, we have also reviewed the appraisal assumptions in the Asset Valuation Report, mainly including transaction and open market assumptions, along with specific assumptions, such as: (i) stability in laws, regulations, and macroeconomic conditions; (ii) competent and law-compliant management; (iii) accuracy and completeness of financial information; (iv) absence of force majeure events; (v) the Equipment being free from ownership defects or restrictions; and (vi) adherence to relevant legal and regulatory requirements. Moreover, we have inquired the Independent Valuer on the applicability of the abovementioned assumptions and we understand that such assumptions are generally and consistently adopted in other valuation exercises and are in line with the market practices. We have not identified any major factors which would lead us to cast doubt on the fairness and reasonableness of the valuation methodology and the principal basis and assumptions adopted in arriving at the appraised value of the Equipment.

We understand that the Independent Valuer undertook a comprehensive process to assess the Equipment's valuation, which involved: (i) performing on-site asset investigations through inquiries, interviews, verification, physical inspections, and surveys within the appraisal scope; (ii) conducting interviews with management to gain insights into Dynasty Winery's fixed asset accounting policies and usage conditions; (iii) gathering and organizing appraisal data from Dynasty Winery, other relevant parties including government departments and professional institutions; (iv) applying the selected appraisal method, formulas, and parameters to evaluate assets and derive calculation results; and (v) preparing the Asset Valuation Report, incorporating the appraisal conclusion based on a thorough analysis of the findings.

In respect of the underlying calculations of the Valuation, we have obtained from the Independent Valuer a schedule containing the detailed calculations of the Valuation (the "**Schedule**"). According to the Schedule, we noted that mixing tanks, wine storage tanks, quick-freeze insulated tank (with agitator), Frozen insulated tank (with agitator), temperature-controlled wine tanks and frozen insulated wine tanks are the major components of the Equipment, their replacement costs in total accounted for over 80% of the Valuation in total. The Independent Valuer adopted a formula mainly taking into account (i) component prices; (ii) installation costs; (iii) infrastructure costs; (iv) preliminary design and consultancy fees; (v) construction management fees; and (vi) finance costs.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

From our review of the underlying calculation of the valuation of these major components, we noted that (i) the component prices were sourced from online platforms in the PRC which provide updated pricing information of industrial components; (ii) the installation costs and infrastructure costs were determined based on Handbook of Common Data and Parameters for Asset Valuation (資產評估常用數據與參數手冊), written by the experts from the PRC government and professional bodies and is commonly used as reference for useful economic life in the PRC; (iii) the preliminary design and consultancy fees were determined based on the relevant fee standards stipulated by the industry, national, and local government regulations; and (iv) the finance costs were determined based on the loan prime rate published by the People's Bank of China.

After aggregating all the replacement cost results of each component and parts of the Equipment, the Independent Valuer determined the Valuation at RMB51,657,200. Set out below is a summary of the net book value and Valuation of the Equipment as at 31 December 2024:

	Net book value <i>RMB</i>	The Valuation <i>RMB</i>
Equipment	<u>4,136,400</u>	<u>51,657,200</u>

With reference to the Letter from the Board, the net book value of the Equipment stated in Asset Valuation Report of approximately RMB4.1 million (equivalent to approximately HK\$4.5 million) was the accounting book value in the fixed assets ledger of Dynasty Winery, the difference of aforesaid net book values was due to the impairment loss of approximately HK\$1.7 million recognised in previous years in the Company's consolidated financial statements.

Based on our review of the Asset Valuation Report and discussion with the Independent Valuer regarding, among others, (i) the scope of work and experiences of the Independent Valuer; (ii) the reasons and appropriateness of adopting the cost approach for the Valuation; (iii) the basis, assumptions and methodology adopted in the Asset Valuation Report; and (iv) the valuation work performed by the Independent Valuer, nothing has come to our attention that causes us to doubt the fairness and reasonableness of the preparation of the Asset Valuation Report. In view of the above, we consider that the valuation performed by the Independent Valuer as well as the basis, assumptions and methodology adopted in the Asset Valuation Report are appropriate.

Pursuant to the Site Compensation Agreement, we noted that the total compensation of the Site is determined based on the Site's independent valuation report, which includes the valuations attributable to the Equipment and other different assets of the Site. Based on our review on the detailed breakdown of the Site's valuation report, we noted that (i) the valuation attributable to the Equipment is RMB52,748,559; and (ii) such valuation of the Equipment as in the Site's valuation report is identical to the Compensation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6. Possible financial effects of the Compensatory Surrender

With reference to the Letter from the Board, after payment of the Compensation, the ownership of the Equipment shall be transferred to Tianjin Yiyang. Set out below are the possible financial effects after the completion of the Compensatory Surrender.

Earnings

With reference to the net book value of the Equipment as at 31 December 2024 and assuming the Compensatory Surrender had been completed on 31 December 2024, an unaudited net gain (before effect of income tax) from the Compensatory Surrender of approximately RMB44.1 million (equivalent to approximately HK\$47.8 million) (calculated by the following formula: Compensation – remaining net book value (after impairment) of the Equipment – value added tax) is estimated to be recorded in the consolidated financial statements of the Company.

Net Asset Value

As at 31 December 2024, the Group's net asset value amounted to approximately HK\$324.3 million. As the Group will no longer have any rights or interests in the Equipment upon completion of the Compensatory Surrender, the property, plant and equipment of the Group is expected to decrease by the amount of the net book value of the Equipment as at 31 December 2024 of approximately HK\$2.8 million, cash and bank balances is expected to increase by the net proceeds of approximately RMB46.7 million (equivalent to approximately HK\$50.6 million), and therefore the net assets is expected to increase by approximately RMB44.1 million (equivalent to approximately HK\$47.8 million).

Working Capital

As at 31 December 2024, the Group held cash and cash equivalents approximately HK\$122.6 million. Upon completion of the Compensatory Surrender, the Group is expected to receive the net proceeds of approximately RMB46.7 million (equivalent to approximately HK\$50.6 million).

The above figures are for illustrative purpose only. The actual gain or loss on Compensatory Surrender as well as the financial effects on the total assets and total liabilities of the Group are subject to audit and the value of the aforesaid items on the date of completion of the Compensatory Surrender and therefore may be different from the amount mentioned above.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, in particular, that (i) the principal terms of the Compensation Agreement; (ii) the amount of the Attributable Compensation is identical to that of the Compensation; (iii) the Valuation prepared by the Independent Valuer; and (iv) the reasons for and benefits of the Compensatory Surrender, we are of the view that although the Compensation Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Compensation Agreement are on normal commercial terms, fair and reasonable so far as the Group and the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Compensation Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

Octal Capital Limited

Alan Fung

Wong Wai Leung

Managing Director

Executive Director

Note:

Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 30 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer of Type 9 (asset management) regulated activities. Mr. Wong has accumulated decades of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.

* *For identification purposes only*

The following is the text of the English translation of the asset appraisal report prepared for the purpose of incorporation in this circular received from Tianjin Huaxia Jinxin Assets Valuation Co., Ltd. (天津華夏金信資產評估有限公司), an independent valuer, in connection with their opinion of value of the Equipment as at 31 December 2024 to be surrendered by the Group.*

**This asset appraisal report has been prepared in accordance with
the PRC Asset Appraisal Standards**

**Asset Appraisal Report on the Value of Individual Assets Involved
in the Proposed Verification of the Replacement Cost of Assets by
Sino-French Joint-Venture Dynasty Winery Limited**

Huaxia Jinxin Ping Bao Zi [2025] No. 146

Tianjin Huaxia Jinxin Assets Valuation Co., Ltd.

20 June 2025

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STATEMENT

1. This asset appraisal report is prepared in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance, as well as the Professional Standards for Asset Appraisal and the Code of Professional Ethics issued by the China Appraisal Society.
2. The client or other users of the asset appraisal report shall use the report in accordance with the provisions of laws and administrative regulations and within the scope of use specified in the report. The asset appraisal institution and its appraisers shall not be liable for any use of the report by the client or other users that violates the aforementioned provisions.

This asset appraisal report is solely for the use of the client, other users stipulated in the asset appraisal contract, and users specified by laws and administrative regulations. No other institutions or individuals may become users of the asset appraisal report.

The asset appraisal institution and its appraisers remind users of the report to correctly understand and use the appraisal conclusions. The appraisal conclusions are not equivalent to the realizable price of the appraised object, and the conclusions shall not be regarded as a guarantee of the realizable price of the appraised object.

3. The asset appraisal institution and its appraisers comply with laws, administrative regulations and asset appraisal standards, adhere to the principles of independence, objectivity and fairness, and bear legal responsibility for the asset appraisal report issued.
4. The list of assets involved in the appraisal and related information are provided by the client or the property rights holder and confirmed by their signature, seal or other legally permitted means. The client and other relevant parties are legally responsible for the authenticity, completeness and legality of the information provided.
5. The asset appraisal institution and its appraisers have no existing or anticipated interest relationship with the appraised object in the asset appraisal report, no existing or anticipated interest relationship with relevant parties, and no bias toward relevant parties.
6. The appraisers have conducted an on-site investigation of the appraised object and the assets involved in the asset appraisal report, paid necessary attention to the legal ownership status of the appraised object and its assets, verified the legal ownership documents of the appraised object and its assets, disclosed any identified issues truthfully, and requested the client and other relevant parties to perfect the ownership to meet the requirements for issuing the asset appraisal report.
7. The analysis, judgments and results in the asset appraisal report issued by the asset appraisal institution are subject to the assumptions and limiting conditions stated in the report. Users of the report shall fully consider the assumptions, limiting conditions, special notes, and their impact on the appraisal conclusions as stated in the report.

**SUMMARY OF THE ASSET APPRAISAL REPORT ON THE VALUE OF
INDIVIDUAL ASSETS INVOLVED IN THE PROPOSED VERIFICATION OF
THE REPLACEMENT COST OF ASSETS BY SINO-FRENCH
JOINT-VENTURE DYNASTY WINERY LIMITED**

Huaxia Jinxin Ping Bao Zi [2025] No. 146

Tianjin Huaxia Jinxin Assets Valuation Co., Ltd. was commissioned by Sino-French Joint-Venture Dynasty Winery Limited to evaluate the market value of individual assets involved in the proposed verification of the replacement cost of assets by Sino-French Joint-Venture Dynasty Winery Limited as at the appraisal base date. The appraisal was conducted in accordance with relevant laws, administrative regulations and asset appraisal standards, adhered to the principles of independence, objectivity, and fairness, and followed necessary appraisal procedures. The summary of the asset appraisal report is as follows:

1. Appraisal Purpose: Proposed verification of the replacement cost of assets.
2. Appraisal Object and Scope: The appraised object is the value of assets involved in the proposed verification of the replacement cost of assets by Sino-French Joint-Venture Dynasty Winery Limited. The scope includes various storage tanks and environmental control equipment purchased and constructed between 2010 and 2012, with an original book value of RMB41,364,273.41 and a net book value of RMB4,136,427.33.
3. Value Type: Market value.
4. Appraisal Base Date: 31 December 2024.
5. Appraisal Method: Replacement cost method.
6. Appraisal Conclusion:

As of 31 December 2024, the net book value of the assets commissioned for appraisal by Sino-French Joint-Venture Dynasty Winery Limited was RMB4.1364 million before appraisal. The replacement cost of the assets after appraisal is RMB51.6572 million (Renminbi fifty-one million six hundred fifty-seven thousand two hundred yuan).

The appraisal results are shown in the table below:

Summary of Asset Appraisal Results

Unit: RMB'0000

Item	Net book value	Replacement cost
	A	B
Current assets	–	–
Non-current assets	413.64	5,165.72
Including: Financial assets available for sale	–	–
Held-to-maturity investments	–	–
Long-term receivables	–	–
Long-term equity investments	–	–
Investment properties	–	–
Fixed assets	413.64	5,165.72
Construction in progress	–	–
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	–	–
Development expenses	–	–
Goodwill	–	–
Long-term deferred expenses	–	–
Deferred tax assets	–	–
Other non-current assets	–	–
Total assets	413.64	5,165.72

The validity period for the use of the appraisal conclusion disclosed in the appraisal report is one year, from the appraisal base date of 31 December 2024 to 30 December 2025.

7. Users of the appraisal report shall fully consider the assumptions, limiting conditions, special notes, and their impact on the appraisal conclusion as stated in the report.
 - (1) The appraised value of the equipment in this appraisal includes value-added tax.
 - (2) The assets within the scope of this appraisal are free from mortgages, guarantees or other restrictions.

The above content is excerpted from the main body of the asset appraisal report. To understand the details of this appraisal and correctly interpret the appraisal conclusion, the main body of the asset appraisal report should be carefully read.

**ASSET APPRAISAL REPORT ON THE VALUE OF INDIVIDUAL
ASSETS INVOLVED IN THE PROPOSED VERIFICATION OF THE
REPLACEMENT COST OF ASSETS BY SINO-FRENCH
JOINT-VENTURE DYNASTY WINERY LIMITED**

Huaxia Jinxin Ping Bao Zi [2025] No. 146

To Sino-French Joint-Venture Dynasty Winery Limited:

Tianjin Huaxia Jinxin Assets Valuation Co., Ltd. was commissioned by the Company to evaluate the market value of individual assets involved in the proposed verification of the replacement cost of assets by Sino-French Joint-Venture Dynasty Winery Limited as at 31 December 2024. The appraisal was conducted in accordance with relevant laws, administrative regulations and asset appraisal standards, adhered to the principles of independence, objectivity, and fairness, adopted replacement cost method and followed necessary appraisal procedures. The asset appraisal report is presented as follows:

**I. OVERVIEW OF THE CLIENT, PROPERTY RIGHTS HOLDER, AND OTHER REPORT
USERS STIPULATED IN THE ASSET APPRAISAL CONTRACT**

The client and property rights holder for this asset appraisal are Sino-French Joint-Venture Dynasty Winery Limited. Other report users stipulated in the asset appraisal contract are those specified by national laws and regulations.

(1) Overview of the Client and Property Rights Holder

Client and property rights holder are Sino-French Joint-Venture Dynasty Winery Limited.

Company Name: Sino-French Joint-Venture Dynasty Winery Limited

Unified Social Credit Code: 91120113600550030D

Type: Limited liability company (wholly foreign-owned)

Address: No. 29 Jinwei Road, Beichen District, Tianjin

Legal Representative: He Chongfu

Registered Capital: RMB425.659 million

Establishment Date: 25 March 1980

Business Term: 25 March 1980 to 24 March 2032

Business Scope: Licensed activities: Production of alcoholic beverages; alcohol sales; food production; online food sales; food sales. (Activities requiring approval must be conducted only after obtaining approval from relevant authorities, with specific activities subject to approval documents or licenses.) General activities: Import and export of goods; business training (excluding education or vocational skills training requiring permits); conference and exhibition services; leisure and sightseeing activities; wholesale and retail of cosmetics; sales of daily necessities. (Activities not requiring approval can be conducted independently with a business license, except for areas prohibited for foreign investment under the Negative List for Foreign Investment Access)

Registration Authority: Tianjin Beichen District Market Supervision Administration

(2) *Relationship Between the Client and Property Rights Holder*

The client and property rights holder are both Sino-French Joint-Venture Dynasty Winery Limited.

(3) *Other Report Users Stipulated in the Asset Appraisal Contract*

Other report users stipulated in the asset appraisal contract are those specified by national laws and regulations.

II. APPRAISAL PURPOSE

Sino-French Joint-Venture Dynasty Winery Limited intends to verify the replacement cost of assets. To this end, it is necessary to evaluate the replacement cost value of relevant individual assets of Sino-French Joint-Venture Dynasty Winery Limited as of the appraisal base date, providing a value reference for the client to verify the asset replacement cost.

III. APPRAISAL OBJECT AND SCOPE

(1) Appraisal Object and Scope

The appraised object is the value of assets involved in the proposed verification of the replacement cost of assets by Sino-French Joint-Venture Dynasty Winery Limited. The scope includes various storage tanks and environmental control equipment purchased and constructed between 2010 and 2012, with an original book value of RMB41,364,273.41 and a net book value of RMB4,136,427.33.

The assets subject to appraisal were constructed and put into use between 2010 and 2012 and have been put into use for over 13 years. Since being put into use, these assets have only been used temporarily for production when demand increased, with low usage frequency and proper maintenance, resulting in the equipment remaining in relatively new condition.

- (2) The assets included in this appraisal scope are consistent with the scope of assets commissioned for appraisal.
- (3) Assets, Quantities, and Carrying Amounts Involved in Conclusions Cited from Reports Issued by Other Institutions

This appraisal report does not cite content from reports issued by other institutions.

IV. VALUE TYPE

Based on the appraisal purpose, the value type of the appraised object is determined to be market value.

Market value refers to the estimated value of the appraised object in a normal and fair transaction on the appraisal base date, between a willing buyer and a willing seller, both acting rationally and without any compulsion.

V. APPRAISAL BASE DATE

The appraisal base date for this report is 31 December 2024, as determined by the client after comprehensively considering the schedule and nature of the planned economic activities.

VI. APPRAISAL BASIS

The main legal, regulatory, appraisal standards, ownership, pricing, and other bases followed in this appraisal are as follows:

(1) Legal and Regulatory Basis

- 1. Asset Appraisal Law of the People's Republic of China (Adopted at the 21st Meeting of the Standing Committee of the 12th National People's Congress on 2 July 2016);
- 2. Company Law of the People's Republic of China (Revised at the 6th Meeting of the Standing Committee of the 13th National People's Congress on 26 October 2018);
- 3. Civil Code of the People's Republic of China (Adopted at the 3rd Meeting of the 13th National People's Congress on 28 May 2020);
- 4. Measures for Financial Supervision of the Asset Appraisal Industry (Ministry of Finance Order No. 97, 2 January 2019);
- 5. Law of the People's Republic of China on State-Owned Assets of Enterprises (Adopted at the 5th Meeting of the Standing Committee of the 11th National People's Congress on 28 October 2008);
- 6. Accounting Standards for Enterprises – Basic Standards (Ministry of Finance Order No. 33, revised by Order No. 76);

7. Accounting Standards for Enterprises – Application Guidelines (Cai Kuai [2006] No. 18, including 42 specific accounting standards, guidelines, interpretations, and related provisions issued and revised thereafter);
8. Enterprise Income Tax Law of the People’s Republic of China (Revised at the 7th Meeting of the Standing Committee of the 13th National People’s Congress on 29 December 2018);
9. Implementation Regulations of the Enterprise Income Tax Law of the People’s Republic of China (State Council Order No. 512, 6 December 2007, revised by the State Council’s Decision on Amending Certain Administrative Regulations on 23 April 2019);
10. Interim Regulations on Value-Added Tax of the People’s Republic of China (State Council Order No. 691, 2017);
11. Notice on Issues Related to the Value-Added Tax Transformation Reform (Cai Shui [2008] No. 170);
12. Notice of the State Administration of Taxation on the Comprehensive Implementation of the Pilot Program for Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
13. Announcement on Policies Related to Deepening Value-Added Tax Reform (Announcement No. 39 of 2019 by the Ministry of Finance, State Administration of Taxation, and General Administration of Customs);
14. Measures for the Supervision and Administration of State-Owned Asset Transactions (SASAC and Ministry of Finance Order No. 32, 24 June 2016);
15. Notice on Matters Related to the Transfer of State-Owned Asset Transactions (SASAC Guo Zi Fa Chan Quan Gui [2022] No. 39);
16. Measures for the Administration of State-Owned Asset Appraisal (State Council Order No. 91, revised by State Council Order No. 732 on 29 November 2020);
17. Detailed Rules for the Implementation of Measures for the Administration of State-Owned Asset Appraisal (Guo Zi Ban Fa [1992] No. 36).

(2) Appraisal Standards Basis

1. Basic Standards for Asset Appraisal (Cai Zi [2017] No. 43);
2. Code of Professional Ethics for Asset Appraisal (China Appraisal Society [2017] No. 30);
3. Professional Standards for Asset Appraisal – Asset Appraisal Procedures (China Appraisal Society [2018] No. 36);
4. Professional Standards for Asset Appraisal – Asset Appraisal Report (China Appraisal Society [2018] No. 35);
5. Professional Standards for Asset Appraisal – Asset Appraisal Contract (China Appraisal Society [2017] No. 33);
6. Professional Standards for Asset Appraisal – Asset Appraisal Archives (China Appraisal Society [2018] No. 37);
7. Professional Standards for Asset Appraisal – Appraisal Methods (China Appraisal Society [2019] No. 35);
8. Professional Standards for Asset Appraisal – Use of Expert Work and Related Reports (China Appraisal Society [2017] No. 35);
9. Professional Standards for Asset Appraisal – Machinery and Equipment (China Appraisal Society [2017] No. 39);
10. Guidelines for State-Owned Asset Appraisal Reports (China Appraisal Society [2017] No. 42);
11. Guidelines for Business Quality Control of Asset Appraisal Institutions (China Appraisal Society [2017] No. 46);
12. Guidance on Types of Asset Appraisal Value (China Appraisal Society [2017] No. 47);
13. Guidance on Legal Ownership of Asset Appraisal Objects (China Appraisal Society [2017] No. 48).

(3) Ownership Basis

1. Accounting information such as purchase contracts and invoices for significant assets;
2. Other relevant explanatory information provided by the property rights holder.

(4) Pricing Basis

1. Handbook of Common Data and Parameters for Asset Appraisal (China Machine Press, 2011 Edition);
2. Quotation Handbook for Electromechanical Products (China Academy of Machinery Science and Technology, 2024);
3. Pricing information obtained by appraisers through inquiries with equipment manufacturers and distributors;
4. Other relevant information collected by appraisers through on-site inspections, market research and other methods.

(5) Other Basis

1. Detailed appraisal list submitted by the property rights holder;
2. Asset Appraisal Contract;
3. Other information related to the appraisal.

VII. APPRAISAL METHOD

In accordance with the Professional Standards for Asset Appraisal – Machinery and Equipment, asset appraisers, when conducting machinery and equipment appraisal, shall analyze the applicability of the three basic asset appraisal approaches, namely cost approach, market approach and income approach, based on the appraisal object, value type and data collection conditions, and select the appropriate approach.

The market approach involves selecting several identical or similar assets from the market as reference objects, comparing the appraised asset with the reference objects based on factors affecting asset value, making adjustments for price differences, and comprehensively analyzing the adjustment results to determine the appraised value of the asset. Specifically, under the premise of collecting comparable transaction cases, recent transaction cases of the same model or similar functionality as the appraised asset are selected, compared with the appraised asset, and adjusted for transaction conditions, degree of wear and usage status to derive a corrected reference price, which is used to determine the appraised value of the appraised asset.

The income approach in machinery and equipment appraisal refers to the approach of determining the value of the appraisal object by capitalizing or discounting the expected income of the appraised asset.

The cost approach refers to the total cost required to purchase or construct a brand-new appraised asset under current conditions.

The equipment within the scope of this appraisal is second-hand equipment used by the property owner. Based on discussions with the property owner, there is no active trading market for machinery and equipment locally, making the market approach inapplicable, therefore the market approach was not used in this appraisal. Due to the inability to obtain data related to the income approach for the equipment within the scope of this appraisal report, the income approach was also inapplicable and not used in this appraisal. Given the appraisal purpose and the information collected, the equipment within the scope of this appraisal can be used normally, and its replacement cost can be obtained and reasonably estimated. Therefore, the cost approach was adopted for the appraisal of the assets.

As of the appraisal base date, the appraised entity is a general taxpayer. According to relevant national value-added tax (VAT) policies, the VAT input tax paid on the purchase of fixed assets can be deducted. Therefore, in this equipment appraisal, based on the purpose of appraisal, the replacement cost includes VAT.

Determination of Replacement Cost

Most of the equipment included in the appraisal scope consists of customized equipment purchased or constructed by the entity. Based on this situation, the appraisers calculated the value of non-standard customized equipment using the valuation method for general non-standard equipment. The specific formula is as follows:

$$S = \left(\frac{M_{RM}}{K_M} + M_P \right) (1 + K_P) \left(1 + \frac{K_D}{n} \right) \frac{1}{1 + r_r}$$

Where: S – Equipment price

M_{RM} – Main material cost (excluding the cost of major purchased components)

K_M – Main material cost rate (excluding major purchased components)

M_P – Cost of major purchased components

K_P – Profit/cost ratio

r_r – Comprehensive tax rate

K_D – Design fee rate for non-standard equipment

n – Production quantity of non-standard equipment

In particular:

(1) Main Material Cost

Main materials are determined based on their proportion of weight or value in the equipment. The main material cost can be calculated by determining the net consumption of various main materials according to the design drawings, then calculating the total consumption based on the utilization rate of each main material, and multiplying by the market tax-inclusive price of each material. The calculation formula is as follows:

$$M_{RM} = \sum \frac{WN_{RMI}}{K_{UI}} \frac{S_{UI}}{1 + r_{r1}}$$

Where: M_{RM} – Main material cost

K_{UI} – Main material utilization rate

WN_{RMI} – Net consumption of main materials

S_{UI} – Market tax-inclusive price

r_{r1} – Value-added tax rate

(2) Cost of Major Purchased Components

If the value proportion of purchased components is small, it can be comprehensively considered within the main material cost rate and not listed separately. Here, only major purchased components with a significant value proportion are considered. The price of major purchased components needs to be adjusted from the tax-inclusive price to the tax-exclusive market price. The calculation formula is as follows:

$$M_{PM} = \frac{\sum S_{PI}}{1 + r_{r1}}$$

Where: M_{PM} – Cost of major purchased components

S_{PI} – Tax-inclusive price of major purchased components

r_{r1} – Value-added tax rate

For equipment with minimal market value fluctuations and lacking market price information, the replacement cost is determined by adjusting the verified book value using the commodity classification price index published by the National Bureau of Statistics.

$$\text{Replacement cost} = \text{Book value} \times \text{Price index}$$

Ultimately, the replacement cost value of the commissioned assets determined through the above methods is used as the appraised value.

VIII. IMPLEMENTATION PROCESS AND STATUS OF APPRAISAL PROCEDURES

The appraisal work began on 10 March 2025, and concluded on 19 June 2025. The process was divided into the following stages:

(1) Clarifying Basic Matters of the Assignment

The asset appraisal institution discussed with the client and other relevant parties, reviewed basic materials, conducted necessary preliminary investigations, and jointly clarified the basic matters of the asset appraisal assignment with the client and property rights holder. This included analyzing the risks of the appraisal assignment as well as the professional competence and independence of the appraisal institution and its appraisers.

(2) Signing the Appraisal Contract

On the basis of meeting professional competence, independence and business risk control requirements, the appraisal institution signed an Asset Appraisal Contract with the client. The contract included the appraisal purpose, appraisal object and scope, appraisal base date, scope of report use, deadline and method for submitting the appraisal report, liability for breach of contract, and dispute resolution provisions.

(3) Formulating the Asset Appraisal Plan

Based on the specific circumstances and time requirements of this appraisal assignment, the asset appraisal plan was formulated by considering the appraisal purpose, condition of the appraisal object, appraisal risks, scale and complexity of the project, structure, categories, quantities and distribution of the assets involved, status of data collection, and the professional competence, experience and allocation of appraisers and assistant personnel.

(4) Conducting On-Site Investigation

1. A list of required information was prepared based on the specific circumstances of the appraisal object and scope, guiding the property rights holder to inventory assets, fill out the asset appraisal detailed list, and prepare appraisal materials.
2. Appraisers conducted on-site investigations of the assets within the appraisal scope in accordance with relevant asset appraisal standards, using methods such as inquiries, interviews, verification, physical inspection and surveys.
 - 1) Targeted interviews were conducted with management to understand the Company's fixed asset accounting policies and usage conditions.
 - 2) The asset appraisal detailed list submitted by the enterprise was cross-checked with its general ledger and sub-ledgers. Relevant materials were reviewed to understand the detailed conditions of the assets within the appraisal scope. The detailed lists of asset appraisal were carefully examined for incomplete entries, errors, unclear asset items, or omissions, and feedback was provided to the property rights holder to refine the lists based on experience and available information.
 - 3) On-site surveys of the equipment were conducted to confirm the authenticity, accuracy and completeness of the declared assets.

(5) Collecting and Organizing Appraisal Data

Appraisers collected appraisal data based on the specific circumstances of the appraisal project, including data independently obtained from markets and other channels, data provided by the client and other relevant parties, and data obtained from government departments, professional institutions and other relevant entities.

Appraisers required the client or other relevant parties to confirm the asset appraisal detailed list and other important materials through signatures, seals or other legally permitted methods. The data used in the appraisal was verified through methods such as observation, inquiry, written review, on-site investigation, queries and re-verification. For verification matters beyond the appraisers' professional expertise, the appraisers commissioned or requested the client to commission other professional institutions to provide opinions.

Based on the specific circumstances of the appraisal assignment, appraisers analyzed, summarized and organized the collected data to form the basis for valuation calculations and the preparation of the asset appraisal report.

(6) Valuation and Conclusion Formation

Appraisers analyzed, calculated and made judgments based on the specific conditions of various assets, the selected appraisal method and corresponding formulas and parameters to derive calculation results. The project leader conducted a comprehensive analysis of the results to form the appraisal conclusion.

(7) Preparing and Issuing the Appraisal Report

Based on the above work, a preliminary asset appraisal report was prepared and reviewed in accordance with the Company's internal quality control system and procedures for appraisal assignments. The appraisers communicated with the client or other relevant parties agreed upon by the client regarding the content of the asset appraisal report. After fully considering relevant opinions, the final appraisal report was submitted to the client in accordance with the time and method stipulated in the asset appraisal contract.

IX. APPRAISAL ASSUMPTIONS

The appraisers followed the following assumptions during this appraisal:

(1) Basic Assumptions**1. Transaction Assumption**

The orderly transaction assumption assumes that the assets to be appraised are in an orderly transaction, and the appraiser estimates the value by simulating market conditions based on the orderly transaction conditions of the appraised assets.

2. Open Market Assumption

The open market assumption assumes that the assets traded or proposed to be traded in the market involve parties with equal status, each having sufficient opportunity and time to obtain adequate market information to make rational judgments about the assets' functions, uses and transaction prices. This assumption is based on the premise that the assets can be openly purchased and sold in the market.

(2) Specific Assumptions

1. There are no significant changes in the current national laws, regulations, policies, or macroeconomic conditions, and no major changes in the political, economic, or social environment of the region where the parties to this transaction are located.
2. It is assumed that the Company's operators are responsible and that the management team is capable of fulfilling its duties.
3. Unless otherwise stated, it is assumed that the Company fully complies with all relevant laws and regulations.
4. There are no force majeure factors or unforeseen circumstances that would have a significant adverse impact on the enterprise.
5. It is assumed that the basic information and financial information provided by the client and property rights holder are true, accurate and complete.
6. It is assumed that the assets within the appraisal scope are true and complete, with no consideration of ownership defects, mortgages, liens, guarantees, or other transaction restrictions affecting the appraised value.
7. The acquisition, use and disposal of the commissioned assets comply with relevant national laws and regulations.

The appraisal conclusion of this report is based on the above appraisal assumptions. If these assumptions change, the appraisal conclusion of this report will be invalid.

X. APPRAISAL CONCLUSION

As of 31 December 2024, the net book value of the assets commissioned for appraisal by Sino-French Joint-Venture Dynasty Winery Limited was RMB4.1364 million before appraisal. The replacement cost of the assets after appraisal is RMB51.6572 million (Renminbi fifty-one million six hundred fifty-seven thousand two hundred yuan).

The results of the appraisal are set out in the table below:

Summary of Asset Appraisal Results

Unit: RMB'0000

Item		Net book value	Replacement cost
		A	B
1	Current assets	–	–
2	Non-current assets	413.64	5,165.72
3	Including: Financial assets available for sale	–	–
4	Held-to-maturity investments	–	–
5	Long-term receivables	–	–
6	Long-term equity investments	–	–
7	Investment properties	–	–
8	Fixed assets	413.64	5,165.72
9	Construction in progress	–	–
10	Construction materials	–	–
11	Disposal of fixed assets	–	–
12	Productive biological assets	–	–
13	Oil and gas assets	–	–
14	Intangible assets	–	–
15	Development expenses	–	–
16	Goodwill	–	–
17	Long-term deferred expenses	–	–
18	Deferred tax assets	–	–
19	Other non-current assets	–	–
20	Total assets	413.64	5,165.72

The validity period for the use of the appraisal conclusion disclosed in the appraisal report is one year, from the appraisal base date of 31 December 2024 to 30 December 2025.

XI. SPECIAL NOTES

The following are matters identified during the appraisal process that may affect the appraisal conclusion but are beyond the professional expertise and capability of the appraisers to evaluate or estimate:

1. The appraised value of the equipment in this appraisal includes value-added tax.
2. The assets within the appraisal scope are free from mortgages, guarantees or other restrictions.
3. The legal responsibility of the appraisers and the appraisal institution is to provide a professional judgment on the asset value under the appraisal purpose stated in this report, and it does not involve any judgment by the appraisers or the appraisal institution on the economic activities corresponding to the appraisal purpose. The appraisal work relies significantly on the relevant information provided by the client and the property rights holder. Therefore, the appraisal is conducted on the premise that the economic activity documents, asset ownership documents, certificates, accounting records and legal documents provided by the client and property rights holder are true and lawful.
4. The purpose of the appraisers in performing the asset appraisal is to estimate the value of the appraisal object and provide a professional opinion, without assuming responsibility for the decisions made by relevant parties. The appraisal conclusion should not be regarded as a guarantee of the realizable price of the appraised object.
5. Within the validity period after the appraisal base date, if there are changes in the quantity of assets or pricing standards, the following principles should be applied:
 - (1) When the quantity of assets changes, the asset value should be adjusted accordingly based on the original appraisal method;
 - (2) When the pricing standards change and significantly affect the appraisal results, the client should promptly engage a qualified asset appraisal institution to re-determine the appraised value;
 - (3) For changes in asset quantity or pricing standards after the appraisal base date, the client should fully consider these changes and make corresponding adjustments when determining the actual asset pricing.

Users of the appraisal report should note the potential impact of the above special matters on the appraisal conclusion.

XII. RESTRICTIONS ON USE OF THE ASSET APPRAISAL REPORT**(1) Scope of Use of the Asset Appraisal Report**

1. This asset appraisal report is solely for the use of the client and users specified by laws and administrative regulations.
 2. The client or other users of the asset appraisal report shall use the report in accordance with the appraisal purpose and usage specified in the report and as prescribed by laws and administrative regulations.
 3. The client or other users of the asset appraisal report shall use the report within the validity period of the appraisal conclusion as specified in the report.
 4. Without the consent of the asset appraisal institution, the content of the asset appraisal report shall not be excerpted, cited or disclosed in public media, except as required by laws, administrative regulations or as otherwise agreed by relevant parties.
- (2)** If the client or other users of the asset appraisal report use the report in a manner that does not comply with the scope of use specified in the report or prescribed by laws and administrative regulations, the asset appraisal institution and its appraisers shall not bear any responsibility.
- (3)** Except for the client, other users stipulated in the asset appraisal contract and users specified by laws and administrative regulations, no other institutions or individuals may become users of the asset appraisal report.
- (4)** Users of the asset appraisal report shall correctly understand the appraisal conclusion. The appraisal conclusion is not equivalent to the realizable price of the appraised object, and it shall not be regarded as a guarantee of the realizable price of the appraised object.

XIII. ASSET APPRAISAL REPORT DATE

The date of this asset appraisal report is 20 June 2025.

Tianjin Huaxia Jinxin Assets Valuation Co., Ltd.

Asset appraiser: Shen Jie

Asset appraiser: Liu Li

20 June 2025

SUMMARY OF ASSET APPRAISAL LIST

Appraisal Base Date: 31 December 2024

Appraised entity (property rights holder):

Sino-French Joint-Venture Dynasty Winery Limited

Unit: RMB

No.	Item	Specification	Unit	Quantity	Book value		Appraised value	Remarks
					Original value	Net value	Replacement cost	
1	New 20,000-ton workshop temperature control system	20,000 tons	Set	1	13,696.07	1,369.60	15,477	
2	Mixing tank (with agitator)	360 tons	Unit	4	1,859,710.53	185,971.05	2,690,674	
3	Wine storage tank	360 tons	Unit	4	1,732,392.71	173,239.27	2,600,274	
4	Wine storage tank	240 tons	Unit	10	3,204,812.93	320,481.29	4,844,359	
5	Quick-freeze insulated tank (with agitator)	120 tons	Unit	6	1,960,594.63	196,059.46	2,019,149	
6	Frozen insulated tank (with agitator)	120 tons	Unit	15	4,889,936.59	488,993.66	5,047,873	
7	Temperature-controlled wine tank	120 tons	Unit	18	3,985,814.64	398,581.46	5,243,848	
8	Ambient temperature pure water tank	120 tons	Unit	1	217,909.19	21,790.92	291,325	
9	Temperature-controlled wine tank	60 tons	Unit	6	808,498.72	80,849.87	1,265,802	
10	Hot water tank (with hot water jacket, agitator)	60 tons	Unit	2	415,153.06	41,515.31	512,334	
11	CIP alkali tank (with agitator)	20 tons	Unit	1	92,380.25	9,238.03	114,829	
12	Oil tank	1 ton	Unit	1	22,308.27	2,230.83	27,729	
13	Temperature-controlled buffer tank	3.5 tons	Unit	1	32,671.20	3,267.12	40,610	
14	Mixing tank (with agitator)	360 tons	Unit	4	1,844,032.57	184,403.26	2,690,674	
15	Wine storage tank	360 tons	Unit	4	1,713,121.59	171,312.16	2,600,274	
16	Wine storage tank	240 tons	Unit	10	3,180,722.42	318,072.24	4,844,359	

APPENDIX II

SUMMARY OF ASSET APPRAISAL LIST

No.	Item	Specification	Unit	Quantity	Book value		Appraised value	Remarks
					Original value	Net value	Replacement cost	
17	Frozen insulated wine tank (with agitator)	120 tons	Unit	21	6,948,251.83	694,825.18	7,067,023	
18	Temperature-controlled wine tank	120 tons	Unit	18	4,080,473.85	408,047.39	5,243,848	
19	Operation platform		Set	1	1,129,895.94	112,989.59	1,404,461	
20	Spiral staircase		Unit	5	72,871.34	7,287.13	90,579	
21	Wine pipeline and nitrogen pipeline		Set	1	526,988.74	52,698.87	655,047	
22	Wine tank hoisting fee		Item	1	42,000.00	4,200.00	–	Accounted for
23	Bitzer non-standard PLC central control air-cooled low-temperature chilled water compressor for refrigeration system		Unit	4	588,034.20	58,803.42	684,413	
24	Water-cooled screw chiller for refrigeration system		Set	1	170,940.17	17,094.02	198,957	
25	Cooling tower for refrigeration system		Unit	1	18,803.42	1,880.34	21,885	
26	Refrigeration system		Set	1	1,070,000.00	107,000.00	1,245,373	
27	Air compressor system		Set	1	114,183.44	11,418.34	132,898	
28	Hot water tank (with hot water jacket, agitator)	60 tons	Unit	2	10,952.14	1,095.21	–	Included in equipment 10#
29	Temperature control system		Set	1	562,934.95	56,293.50	–	Included in main body
30	Gamajet BZ8 type dual-nozzle sprinkler		Piece	1	41,880.34	4,188.03	47,798	
31	Stainless steel mobile distribution box		Piece	1	4,615.38	461.54	5,737	
32	Stainless steel distribution cabinet		Piece	1	3,846.15	384.62	4,781	
33	Stainless steel distribution cabinet		Piece	1	3,846.15	384.62	4,781	
Total					41,364,273.41	4,136,427.33	51,657,171	

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

(b) Persons having 5% or more shareholding

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the issued voting shares of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up) or had options in respect of such capital:

Name	Name of company in which interests or short positions were held	Nature of interests	Number of Shares	Approximate percentage of shareholding
Famous Ever Group Limited	The Company	Beneficial owner	558,000,000 Shares (L) (Note 1)	39.62%
Tianjin Food Group Co. Ltd. ("Tianjin Food")	The Company	Interest in controlled corporation	602,792,000 Shares (L) (Note 1)	42.80%

Name	Name of company in which interests or short positions were held	Nature of interests	Number of Shares	Approximate percentage of shareholding
Tianjin Bohai State-owned Assets Management Co., Ltd. (“ Bohai ”)	The Company	Interest in controlled corporation	602,813,922 Shares (L) (<i>Note 1</i>)	42.80%
Tianjin TEDA Industrial Group Co., Ltd. (“ TEDA Industrial ”)	The Company	Interest in controlled corporation	602,813,922 Shares (L) (<i>Note 1</i>)	42.80%
TEDA Investment Holding Co., Ltd. (“ Tianjin TEDA ”)	The Company	Interest in controlled corporation	602,813,922 Shares (L) (<i>Note 1</i>)	42.80%
Remy Pacifique Limited	The Company	Beneficial owner	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Remy Concord Limited	The Company	Interest in controlled corporation	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Remy Cointreau Services S.A.S.	The Company	Interest in controlled corporation	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Remy Cointreau S.A.	The Company	Interest in controlled corporation	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Orpar S.A.	The Company	Interest in controlled corporation	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Andromède S.A.S.	The Company	Interest in controlled corporation	336,528,000 Shares (L) (<i>Note 2</i>)	23.90%
Zengli Investment Group Co. LTD	The Company	Beneficial owner	115,394,944 Shares (L) (<i>Note 3</i>)	8.19%
Tianjin Zengli Trading Group Co. LTD	The Company	Interest in controlled corporation	115,394,944 Shares (L) (<i>Note 3</i>)	8.19%
Li Junjie	The Company	Interest in controlled corporation	115,394,944 Shares (L) (<i>Note 3</i>)	8.19%
Hao Mingzhen	The Company	Interest in controlled corporation	115,394,944 Shares (L) (<i>Note 3</i>)	8.19%

(L) denotes the long position held in the Shares

Notes:

- (1) Based on the disclosure of interests forms filed on 3 January 2025 (being the last disclosure of interests forms filed by the relevant entities as at 31 December 2024), 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 44,298,000 Shares, representing approximately 3.15% 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 602,319,922 Shares, representing approximately 42.77% 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 602,298,000, representing approximately 42.76% 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, is also a director and chairman of Tianjin Food.

Subsequent to the events leading to the filing of the above disclosure of interests forms and up to the Latest Practicable Date, Chenhai Investment Limited had further acquired 494,000 Shares, representing approximately 0.03% of the issued share capital of the Company.

Accordingly,

- A. 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
- B. 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.

- (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. Mr. Heriard-Dubreuil Francois, a non-executive Director, is also a vice chairman of the board of Andromede S.A.S., non-voting board member of Remy Cointreau S.A., a director of Remy Concord Limited and Remy Pacifique Limited. 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. 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*

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up) or who had any options in respect of such capital.

3. SERVICE CONTRACT

As at the Latest Practicable Date, there was no service contract or any proposed service contract between any of the Directors or proposed Directors and the Company or any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up), excluding contracts expiring or determinable by the Group within a year without payment of any compensation (other than statutory compensation):

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors or proposed Directors or their respective close associates had any interests in any business which competed or might compete with the business of the Group as at the Latest Practicable Date.

5. MATERIAL INTERESTS

As at the Latest Practicable Date, save for the Compensatory Surrender in which Mr. Wan Shoupeng was deemed to be interested, none of the Directors had any direct or indirect interest in the assets which had been, since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up), or were proposed to be acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up).

As at the Latest Practicable Date, save for the Compensation Agreement in which Mr. Wan Shoupeng was deemed to be interested, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company have been made up).

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Company were made up.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualifications of the experts who have given their advice and recommendation which are included in this circular:

Name	Qualification
Octal Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Tianjin Huaxia Jinxin Assets Valuation Co., Ltd.* (天津華夏金信資產評估有限公司)	an independent certified PRC valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with its opinion included in the form and context in which it is included and the references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above experts had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 December 2024, being the date to which the latest audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MISCELLANEOUS

- (a) The registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is at Room 4309, 43/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENT ON DISPLAY

Copies of the following document will be published on the Stock Exchange's website and the Company's website at www.dynasty-wines.com, from the date of this circular up to and including the date of the EGM, being a period of not less than 14 days:

- (a) the Compensation Agreement.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of Dynasty Fine Wines Group Limited (the “**Company**”) will be held at 17/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on 25 July 2025 at 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the compensation agreement dated 20 May 2025 (the “**Compensation Agreement**”, a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between Sino-French Joint-Venture Dynasty Winery Ltd. * (中法合營王朝葡萄釀酒有限公司) and Tianjin Yiyang Big Health Small Township Development Co., Ltd* (天津頤養大健康小鎮建設開發有限公司) in relation to the surrender of and the compensation for the manufacturing equipment and systems of the Group installed at the land and the property located at No. 29, Jinwei Road, Beichen District, Tianjin, PRC, land number 1201130070040010002 (BeiChenZi 105729-3) be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Compensation Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 20 June 2025

* For identification purpose only

NOTICE OF EGM

Principal place of business in Hong Kong:

Room 4309, 43/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing signed by the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either executed under its seal or signed by an officer, attorney or other person duly authorised to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and to vote instead of him. A shareholder who is the holder of two or more shares of the Company (the “Shares”) may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company.
4. Where there are joint registered holders of any Share, any one such joint holders may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting, whether personally or by proxy, the vote of the senior holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of such joint holding.
5. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked
7. For the purpose of ascertaining and determining the entitlement of the shareholders to attend and vote at the meeting, the transfer books and register of members of the Company will be closed from Tuesday, 22 July 2025 to Friday, 25 July 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged for registration with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 21 July 2025.
8. As at the date of this notice, the executive directors of the Company are Mr. Wan Shoupeng, Mr. He Chongfu and Mr. Huang Manyou, the non-executive directors of the Company are Mr. Heriard-Dubreuil Francois, Ms. Sophie Phe and Mr. Alain Jacques Gilbert Li, and the independent non-executive directors of the Company are Mr. Yeung Ting Lap Derek Emory, Mr. Sun David Lee and Ms. Chung Wai Hang.