

DYNASTY
酒の王朝**Dynasty holds the first tasting and business fair event for
its new brandy products****To execute its product strategic plan to
seize market opportunities**

(Hong Kong – January 22, 2021) Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), a premier winemaker in China, held its first brandy tasting and business fair event in Guangdong in mid-January, in which it showcased three products from its new brandy series and introduced the market strategy and planning for its brandy segment.

Mr. Huo Xingsan, Secretary of the China Alcoholic Drinks Association’s Wine Sub-Branch, explained in his address that brandy has become increasingly popular in the domestic market in recent years as a ‘hot’ item in the alcohol market. Indeed, China is now the largest brandy consumer in the world. As spending increases and due to consumption upgrade as the result of a larger middle-class, undersupply of the product will intensify in mainland China, translating into a chance to further develop the business in the country.

Mr. Li Guanghe, General Manager of Dynasty, indicated during his speech, “2020 was a year for us to consolidate and adjust the market model. Stepping into 2021, Dynasty will enhance its current product offerings and build the infrastructure for the market under its ‘5+4+N product strategy’. The brandy business forms an important part of this strategy under implementation, so we have made a detailed plan with the aim of seizing the opportunities emerging in the domestic brandy market.”

Regarding the **product strategy**, Dynasty adopts the “Main Series + Innovation” product structure. Marketing and promotion will focus on high-end brandy products including X.O. and V.S.O.P. With this in mind, the Group recently launched three products under the new brandy series, namely “Dynasty X.O. 18 Years Old Brandy”, “Dynasty V.S.O.P. Brandy Aged 10 Years” and “Dynasty V.S.O.P. Brandy Aged 8 Years”. While taking into account the current market demand, the Group will develop customized products for specific regions and consumer groups. Regarding **market strategy**, the development has been systematically mapped out and focuses on the premium market in order to establish leadership in advantages regions. The Group will strategically promote its brandy products in all market levels in phases. It will focus its marketing efforts in the core consumer markets in coastal regions such as Guangdong, Fujian and Zhejiang, and will consolidate resources to penetrate channels systematically. Furthermore, it will establish the benchmark sales terminals and markets for brandy and develop its advantageous product categories and markets. **On the promotional strategy** front, Dynasty will create new scenarios, new contents and new models. It will promote personalized products through tasting events and open Dynasty terminal stores to offer an experiential sales service. **As for the branding strategy**, Dynasty will set out a well-defined and comprehensive business roadmap, so as to establish its position in the brandy industry by leveraging its brand advantages. It will also highlight the actual age of the wines in order to promote the consumption value of its brandy products.

Last year, Dynasty announced the “5+4+N product strategy” under a demand-driven market approach. It will increase its vertical market share through four advantageous categories and will utilize customized products, which are driven by market demand, to meet the diverse and fragmented consumer demand and achieve full coverage of all price segments. “5” represents the five key series of products; namely, air dry series, seven-year reserve series, merlot series, classic series and best-selling series, enabling full coverage for all mainstream price segments; “4” refers to the four advantageous categories – dry red wines, dry white wines, brandy and sparkling wines, to increase the vertical market share; and “N” represents the development of various customized products to meet the diverse needs of Chinese consumers.

