

[Press Release]

DYNASTY

酒的主朝

Dynasty expects a 2.2-fold year-on-year revenue growth to over HK\$100 million in the first four months of 2021

Product upgrades and sales and marketing reforms achieve phased progress

(Hong Kong – 15 June 2021) Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), a premier winemaker in China, issued its profit alert today. The Group expects to record a significant year-on-year increase of approximately 220% to over HK\$100 million in its unaudited revenue for the first four months of 2021 (“the Period”), which also represents an increase of approximately 20% when compared with its unaudited consolidated revenue of approximately HK\$89.9 million in the six months ended 30 June 2020.

The significant increase in Dynasty's revenue during the Period was mainly attributable to three factors: Firstly, as the COVID-19 pandemic has gradually been brought under control in China, the government has relaxed the restrictions on consuming places, which has boosted the resumption of consumption occasions and consumer sentiment, as well as the rebound in sales resulting from economic growth, particularly in terms of the growth in domestic demand. Secondly, compared with the same period last year, sales of medium to high end wine products increased during the Period following the Group's upgrade of its brands and products. Thirdly, the Group's sales team strengthened its cooperation with distributors, which purchased goods before festivals. This also demonstrated that the Group achieved phased progress through the implementation of sales and marketing reforms.

The Group expects to record a decrease in unaudited consolidated profit for the six months ended 30 June 2021 as compared with an unaudited consolidated profit of HK\$142.6 million, which included a non-recurring gain of approximately HK\$184 million from the disposal of a chateau and related facilities, for the same period last year.

This year, Dynasty has continued to focus on brand and product upgrades, sales and marketing reforms, and brand promotion. **In terms of product strategy**, the Group is further advancing its “5+4+N product strategy”, in which “5” represents the five key product lines, namely the air dry series, seven-year reserve series, merlot series, classic series and best-selling series, to achieve the goal of full coverage across all mainstream price segments; “4” refers to the four dominant categories i.e. dry red wines, dry white wines, brandy and sparkling wines, to vertically increase the market share; and “N” stands for the development of various customized products to meet the diversified consumption needs of consumers in China.

Dynasty has launched three new products under its brandy series and upgraded the existing dry red wines and medium dry white wines series to promote sales of medium to high end wine products. It is also developing a young product series which it plans to sell via e-commerce channels. The Group held its first brandy tasting and business fair event this January and also took part in China Food & Drinks Fair held in Chengdu this April. During the fair, the Group actively promoted its latest product mix, which covers all product lines, and received an enthusiastic market response.

As for marketing, Dynasty has stepped up its efforts in brand promotion and advertising investment. Since March of this year, Dynasty has title sponsored a high-speed train which makes 49 trips a day across 13 provinces and municipalities, taking passengers to and from core areas of Jiangsu, Zhejiang and Shanghai – Dynasty’s key markets. The Group has also launched marketing efforts at offline points of sale in the Jiangsu-Zhejiang-Shanghai region, as well as via its flagship online stores on JD.com and TMall, enabling the rollout of nationwide sales and marketing activities which delivered satisfactory results. Meanwhile, Dynasty has continued to expand its distribution channels, including tobacco and liquor shops, convenience stores and medium and large supermarkets, catering outlets and social communities. While fortifying the foundation of its traditional sales channels, it also penetrated social communities by flexibly organizing interactive and thematic activities and engaging opinion leaders and content marketing, so that it may have the benefit of diverse yet fully integrated channels. Dynasty will continue to press ahead with its mass-scale marketing campaign, encompassing advertising in 20,000 shops, hosting 1,000 wine tasting events and organizing 100 plant visits, in order to continue building and enhancing its point-of-sale network.

Dynasty expects a 2.2-fold year-on-year revenue growth to over HK\$100 million in the first four months of 2021
15 June 2021

Looking ahead, Dynasty will address consumer demand through the constant innovation of its wine series. At the same time, it will increase investment in brand development so as to fully vitalize its brand. Moreover, it will drive development of its major products by steadily enhancing quality and controlling prices to boost sales volumes, with the overall aim of bringing Dynasty's wines to more consumers in China.



-End-

About Dynasty Fine Wines Group Limited

Founded in 1980, Dynasty is a premier winemaker in China. It is principally engaged in the production and sale of wine products under its reputable Dynasty brand. Dynasty is the first Sino-foreign joint venture wine company in China with Tianjin Food Group Co. Ltd. and Remy Cointreau as its major shareholders. The Group produces and sells more than 100 wine products as well as markets about 130 imported ones, providing consumers across all strata in the PRC with high quality products offering excellent value for money.

For more information, please visit:

Company website: www.dynasty-wines.com

Facebook: www.facebook.com/DynastyWines

To shop Dynasty's wines online, please visit: www.dynasty-wines.com/shop/

For press enquiries:

Strategic Financial Relations (China) Limited

Ms. Jover Wong Tel: 852 2864 4811

Mr. Tim Tin Tel: 852 2114 4907

Email: sprg-dynasty@sprg.com.hk