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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: 828)

CONNECTED TRANSACTION

Pursuant to the Cork Purchase Contract, Dynasty Winery, an indirect wholly-owned subsidiary of the Company, has agreed to purchase corks from the Vendor at a consideration of Euro 525,600 (equivalent to approximately HK\$5,518,800).

The Vendor is a wholly-owned subsidiary of Oeneo, an associate (within the meaning ascribed to it in the Listing Rules) of Andromede, which is a substantial shareholder (within the meaning ascribed to it in the Listing Rules) of the Company. Accordingly, the Vendor is a connected person of the Company within the meaning of the Listing Rules and the Purchase therefore constitutes a connected transaction of the Company. Pursuant to Rule 14A.25 of the Listing Rules, the purchase pursuant to the Cork Purchase Contract would result in each of the applicable ratios for the Purchase being less than 2.5%. Accordingly, the Purchase is only subject to reporting and announcement requirements and is exempt from independent shareholders' approval requirements under the Listing Rules. Details of the Purchase will be included in the next published annual report and financial statements of the Company.

CORK PURCHASE CONTRACT

Date:	1 April 2010
Purchaser:	Dynasty Winery
Vendor:	Oeneo Bouchage, principally engages in providing cork and screw cap solutions for wine, is a company incorporated in France and a wholly-owned subsidiary of Oeneo
Consideration:	Euro 525,600 (equivalent to approximately HK\$5,518,800)

Pursuant to the Cork Purchase Contract, particulars of which are described above, Dynasty Winery, an indirect wholly-owned subsidiary of the Company, has agreed to purchase and the Vendor has agreed to sell the Corks.

CONSIDERATION

The consideration of Euro 525,600 (equivalent to approximately HK\$5,518,800) for the Purchase was agreed on an arm's length basis between Dynasty Winery and the Vendor and on normal commercial terms which are no less favourable than those offered by the Vendor to independent third parties. In determining the consideration, the Group has reviewed the terms of sales of similar quality of corks by the Vendor to independent third parties and considered that the terms are substantially comparable as those applicable to Dynasty Winery's purchase of Corks from the Vendor.

The consideration for the Purchase will be funded by the Group's internal resources. The consideration shall be paid by tele-transfer within 60 days after the date of shipment and/or irrevocable letter of credit after 60 days from the date of bill of lading.

REASON FOR THE PURCHASE

Dynasty Winery is principally engaged in production and sale of grape wine products. It is expected the production capacity per annum will be expanded from 50,000 tonnes per annum in 2009 to 70,000 tonnes per annum in 2010. As part of and incidental to the carrying out of its principal business and in order to enhance the utilisation of its production capacity and to increase the production volume of premium wine products, which depends, inter alia, on high quality corks preventing premium wines to suffer from cork related issues, the Board consider Dynasty Winery needs to purchase high quality Corks. Given that, apart from offering competitive prices, the Vendor is able to deliver high quality corks to the Company which is in line with the Group's strategy of selling premium wine products and its focus on medium and high end segments, the Directors consider that it would be in the interest of the Group to source corks from the Vendor.

The Directors (including the independent non-executive directors) believe that it is beneficial to the Group to enter into the Cork Purchase Contract and consider the terms of the Purchase including, inter alia, the consideration and the terms of payment under the Purchase to be fair and reasonable, on normal commercial terms and in the interests of the shareholders of the Company as a whole.

CONNECTED TRANSACTION

The Vendor is a wholly-owned subsidiary of Oeneo, which is owned as to approximately 40.31% by Andromede. Andromede is a substantial shareholder of the Company. Accordingly, the Vendor is an associate (within the meaning ascribed to it in the Listing Rules) of Andromede, and is a connected person of the Company within the meaning of the Listing Rules. The Purchase therefore constitutes a connected transaction of the Company. Pursuant to Rule 14A.25 of the Listing Rules, the purchase pursuant to the Cork Purchase Contract would

result in each of the applicable ratios being less than 2.5%, the Purchase is therefore classified as a connected transaction of the Company under Rule 14A.32 of the Listing Rules and is subject to the reporting and announcement requirements set out in Rule 14A.45 to 14A.47 of the Listing Rules but is exempt from independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules. Details of the Purchase will be included in the next published annual report and financial statements of the Company.

DEFINITIONS

“Andromede”	Andromede S.A., a company incorporated in France with limited liability, is a substantial shareholder of the Company;
“Board”	the board of directors of the Company;
“Company”	Dynasty Fine Wines Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Dynasty Winery”	Sino-French Joint-Venture Dynasty Winery Ltd.* (中法合營王朝葡萄釀酒有限公司), a wholly owned foreign enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Euro”	Euros, the lawful currency of European Union;
“Group”	the Company and its subsidiaries, their principal activities are investment holding, production and sale of grape wine products;
“HK\$”	the lawful currency of the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Corks”	10 million units of corks which were specifically described in the Cork Purchase Contract;
“Cork Purchase Contract”	the contract dated 1 April 2010 entered into between Dynasty Winery as the purchaser and Oeneo Bouchage as the vendor in relation to the purchase of corks;

* *for identification purpose only*

“Oeneo”	Oeneo S.A., a holding company incorporated in France with limited liability, is listed on the Euronext Stock Exchange (stock code: SBT). Oeneo S.A. is an associate (within the meaning ascribed to it in the Listing Rules) of Andromede. The principal activities of Oeneo S.A. and its subsidiaries are manufacturing of high quality barrels for winemaking and production of new technology wine corks preventing wines to suffer from cork related issues;
“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan;
“Purchase”	the purchase by Dynasty Winery from the Vendor of the Corks pursuant to the Cork Purchase Contract;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in section 2 of the Companies Ordinance;
“Vendor”	Oeneo Bouchage; and
“%”	per cent.

For the purpose of illustration only, the exchange rate between Euro and HK\$ at Euro 1.00 to HK\$10.50 is used. It does not constitute a representation that any amounts were or may have been exchanged at this or another rates or at all.

By order of the Board
DYNASTY FINE WINES GROUP LIMITED
Bai Zhisheng
Chairman

Hong Kong, 1 April 2010

As at the date of this announcement, the Board comprises 3 executive directors, namely, Mr. Bai Zhisheng, Mr. Gao Feng and Mr. Huang Yaqiang, 6 non-executive directors, namely, Mr. Heriard-Dubreuil Francois, Mr. Zheng Daoquan, Mr. Jean-Marie Laborde, Mr. Zhang Wenlin, Mr. Wong Ching Chung and Mr. Robert Luc, and 3 independent non-executive directors, namely, Mr. Lai Ming, Joseph, Dr. Hui Ho Ming, Herbert and Mr. Chau Ka Wah, Arthur.