

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or 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: 828)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Dynasty Fine Wines Group Limited to be held at East & West Rooms, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on 3 June 2011 at 10:30 a.m. is set out on pages 14 to 17 of this circular for information only. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so desire.

## RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually 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 there are no other facts the omission of which would make any statement herein misleading.

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened at East & West Rooms, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 3 June 2011 at 10:30 a.m.
“Articles”	the Articles of Association of the Company
“Board”	the board of directors of the Company
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961) (as consolidated and revised) of the Cayman Islands
“Company”	Dynasty Fine Wines Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Famous Ever”	Famous Ever Group Limited, a company incorporated in the British Virgin Islands with limited liability, being an investment holding company wholly owned by Tianjin Development Holdings Limited and a controlling shareholder of the Company as at the date of this circular
“General Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution granting such mandate
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	14 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Notice”	the notice convening the AGM as set out in Appendix III to this circular
“Options”	options (if any) granted or to be granted pursuant to the Share Option Scheme
“Repurchase Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	share option scheme adopted by the Company on 6 December 2004
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



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

*(incorporated in the Cayman Islands with limited liability)*

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*Directors:*

Bai Zhisheng (*Chairman*)  
Gao Feng  
Huang Yaqiang  
Heriard-Dubreuil Francois\* (*Vice Chairman*)  
Wu Xuemin\*  
Jean-Marie Laborde\*  
Dong Jingrui\*  
Wong Ching Chung\*  
Robert Luc\*  
Hui Ho Ming, Herbert\*\*  
Chau Ka Wah, Arthur\*\*  
Yeung Ting Lap Derek Emory\*\*

\* *Non-executive director*

\*\* *Independent non-executive director*

*Registered office:*

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

*Principal Place of Business  
in Hong Kong:*

Suite 5506  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

18 April 2011

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
AND GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this letter is to give Shareholders notice of the AGM at which the necessary resolutions will be proposed to consider and, if thought fit, to approve the re-election of Directors, the granting to the Directors of the general mandates to issue and repurchase the Shares, the extension of the general mandate to issue new Shares and the declaration of dividends.

## LETTER FROM THE BOARD

### RE-ELECTION OF DIRECTORS

Pursuant to Article 87(1) of the Articles, at such annual general meeting of the Company, one-third of the Directors (or if their number is not a multiple of three, the number nearest to but not less than one-third) for the time being shall retire for office rotation. Details of Mr. Bai Zhisheng, Mr. Robert Luc and Mr. Chau Ka Wah, Arthur who shall retire and are proposed to be re-elected at the AGM pursuant to Article 87 of the Articles are provided in Appendix I to this circular.

Pursuant to Article 86(3) of the Articles, Mr. Wu Xuemin who was appointed by the Board with effect from 1 January 2011, Mr. Dong Jingrui and Mr. Yeung Ting Lap Derek Emory who were appointed by the Board with effect from 20 January 2011, shall hold office until the AGM and shall then be eligible for re-election. Details of Mr. Wu Xuemin, Mr. Dong Jingrui and Mr. Yeung Ting Lap Derek Emory are provided in Appendix I to this circular.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general mandates to:

- (i) allot and issue and deal with further Shares up to a maximum of 249,640,000 Shares representing 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution;
- (ii) repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution; and
- (iii) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Repurchase Mandate, allot and issue new Shares in an amount not exceeding the aggregate nominal amount of the Shares purchased pursuant to the Repurchase Mandate.

A statement explaining the proposed general mandate to repurchase Shares is set out in the explanatory statement in Appendix II to this circular in accordance with the Listing Rules.

### AGM

The Notice convening the AGM to be held on Friday, 3 June 2011 at 10:30 a.m. at which the above proposals will be considered is reproduced on pages 14 to 17 of this circular.

A form of proxy for use at the AGM is also accompanied with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof, must be lodged with the

## LETTER FROM THE BOARD

Company's branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM.

### VOTE BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting, a resolution put to the vote of a meeting shall be decided by poll. Therefore, the chairman of the AGM will exercise his right under Article 66 of the Articles to demand poll voting on all the resolutions as set out in the Notice of the AGM. The results of the poll will be published on the Company's and the Stock Exchange's websites not later than the business day following the AGM, in accordance with the requirements of the Listing Rules.

### RECOMMENDATION

The Directors consider that the proposals for re-election of Directors, general mandates to repurchase Shares and to issue new Shares, the extension of the general mandate to issue new Shares and the declaration of the dividends are in the best interests of the Company and Shareholders. Accordingly, the Board recommends that Shareholders to vote in favour of the relevant resolutions as set out in Appendix III "Notice of the AGM".

Yours faithfully,  
For and on behalf of the Board  
**Bai Zhisheng**  
*Chairman*

The details of the Directors proposed for re-election at the AGM are set out as follows:

#### EXECUTIVE DIRECTOR

**BAI Zhisheng**, aged 55, has been appointed as a non-executive director of the Company since August 2004 and is an executive director and the chairman overseeing the business development and taking up the function of formulating and managing the investment strategies of the Group. He is also a director of various subsidiaries of the Company, namely Sino-French Joint-Venture Dynasty Winery Ltd. ("Dynasty Winery"), Tianjin Dynasty Winery Sales Company Limited ("Tianjin Dynasty Sales Company"), Tianjin Tianyang Grape Winery Co. Ltd., Smiling East Resources Limited, Grand Spirit Holdings Limited ("Grand Spirit") and Ho Tin International Co. Ltd. He is also an executive director of Tianjin Development Holdings Limited ("Tianjin Development") (Stock code: 882), the general manager of the Tianjin Agricultural Industrial and Commerce Company and the chairman of Tianjin Heavenly Palace Winery Co., Ltd., a subsidiary of Tianjin Development. He has been the deputy general manager of Tianjin Agricultural Cultivation Group Company since 1991 and subsequently promoted as the general manager in 2005. He is also a qualified senior economist. Mr. Bai graduated in 1984 from the undergraduate programme of Peking University where he studied in international politics. He completed a postgraduate course specializing in law at the School of Central Committee of the Communist Party in 1998. Mr. Bai has solid experience in corporate management for over ten years.

Mr. Bai Zhisheng has entered into a service contract with the Company for a term of three years with effect from 1 January 2009, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company, provided that either party may terminate the service contract by two months' notice. Under the service contract, Mr. Bai Zhisheng is entitled to a fixed salary of HK\$1,836,000 per year in aggregate plus a discretionary bonus. His director's salary is determined by the Board having regard to Mr. Bai's duties and responsibilities.

Save as the common directorships of Mr. Bai and various Directors in various subsidiaries of the Company, Mr. Bai Zhisheng has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. Bai Zhisheng was interested in 2,300,000 Shares which represent the Shares which may fall to be allotted and issued upon exercise in full of the share options granted by the Company to Mr. Bai under the Share Option Scheme.

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Bai that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**NON-EXECUTIVE DIRECTORS**

**WU Xuemin**, aged 56, has been appointed as a non-executive director of the Company since January 2011. Mr. Wu is a senior economist and possesses a university degree. In 1999, he completed a postgraduate course of International trade at the Tianjin Institute of Finance and Economics. Mr. Wu worked in foreign trade corporations for many years and is experienced in foreign economy and import and export business. From July 1987 to November 1996, he acted as the Deputy Manager and Manager of Hainan office and import and export office of Li Da Group. In November 1996, he acted as the Deputy General Manager of Li Da Group. During the period, he also acted as the chairman of Hai He Trading Company and Jin Rong International Company of Li Da Group in Hong Kong. In September 2002, he acted as the General Manager of Tianjin Li He Group. Mr. Wu was also appointed as an executive director and a general manager of Tianjin Development, a controlling shareholder of the Company, on 31 January 2008 and 3 August 2009, respectively. He is also a member of the Remuneration Committee of the Tianjin Development and the Vice Chairman and General Manager of Tsinlien Group Company Limited (“Tsinlien”), the controlling shareholder of Tianjin Development.

Mr. Wu Xuemin has entered into a service contract with the Company for an initial term of three years with effect from 1 January 2011, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company, provided that either party may terminate the service contract by two months’ notice. Under the service contract, Mr. Wu Xuemin is entitled to a director’s fee of HK\$360,000 per annum. Mr. Wu is not entitled to any bonus payment. His director’s fee is determined by the Board having regard to Mr. Wu’s duties and responsibilities.

Save as disclosed above, Mr. Wu Xuemin has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company (as defined in the Listing Rules).

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Wu that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**DONG Jingrui**, aged 49, has been appointed as a non-executive director of the Company since January 2011. He studied at the Electrical Machinery Campus of Tianjin University in 1979, majoring in machine manufacturing and equipment and graduated with a bachelor’s degree in September 1983. Mr. Dong worked at Tianjin Sewing Machine Factory from September 1983 to November 1991 and was appointed as director of technology department in 1987. During the period, Mr. Dong was mainly responsible for the research on the principles and technology of sewing mechanics, research and development of new projects as well as design and implementation of non-standard processing equipments. From November 1991 until now, Mr. Dong was redesignated to Tianjin Agricultural Cultivation Group Company from Tianjin Sewing Machine Factory during which period Mr. Dong was mainly responsible for the production, operation and

management of industrial and commercial enterprises, and introduction, investment, construction and operation of new projects, reforms of enterprises, structural adjustment and technology innovation, as well as implementation of brand development strategies and various tasks. Mr. Dong served as deputy director of industry department in Tianjin Agricultural Cultivation Group Company from 1995 to 2006. From 2006 until now, he worked as director of the department of industry and commerce.

Mr. Dong Jingrui has entered into a service contract with the Company for an initial term of three years with effect from 20 January 2011, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company, provided that either party may terminate the service contract by two months' notice. Under the service contract, Mr. Dong Jingrui is entitled to a director's fee of HK\$360,000 per annum. Mr. Dong is not entitled to any bonus payment. His director's fee is determined by the Board having regard to Mr. Dong's duties and responsibilities.

Save as disclosed above, Mr. Dong Jingrui has no relationship with any other Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules).

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Dong that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**ROBERT Luc**, aged 54, has been appointed as a non-executive director of the Company since August 2004. He is a director of two subsidiaries of the Company, namely Grand Spirit and Tianjin Dynasty Sales Company. He is also a deputy general manager of Dynasty Winery. He has held various management positions in the Orpar S.A. — Remy Cointreau Group since 1987, including the deputy group controller, regional finance director for the America, finance director of the champagne division and the regional finance director of Asia Pacific. Prior to joining the Remy Cointreau Group in 1987, he worked with the Ernst & Whinney in Montreal and Paris. He graduated from University of Sherbrooke, Canada with a bachelor's degree in business administration (accounting) in 1979. He is a Canadian Chartered Accountant. Mr. Robert has extensive experience in the wines and spirits industry for over 20 years.

Mr. Robert Luc has entered into a service contract with the Company for a term of three years with effect from 25 January 2011, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company, provided that either party may terminate the service agreement by two months' notice. Under the service contract, Mr. Robert Luc is entitled to a director's fee of HK\$360,000 per annum. Mr. Robert is not entitled to any bonus payment. His director's fee is determined by the Board having regard to Mr. Robert's duties and responsibilities.

Save as the common directorships of Mr. Robert and various Directors in various subsidiaries of the Company, Mr. Robert Luc has no relationship with any other Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules).

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Robert that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**CHAU Ka Wah, Arthur**, aged 65, has been appointed as an independent non-executive Director of the Company since August 2004. Mr. Chau has substantial knowledge and experience in commercial and corporate industry. Prior to joining the Company in August 2004, he was the managing director of Otis Elevator Company (Hong Kong) Ltd. and the regional director of Otis Elevator International, Inc. in China. He graduated with a bachelor's degree from The University of Hong Kong and a master's degree in business administration from Chinese University of Hong Kong.

Mr. Chau Ka Wah, Arthur has entered into an appointment letter with the Company for a term of three years with effect from 25 January 2011, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company. Under the appointment letter, Mr. Chau Ka Wah, Arthur is entitled to a director's fee of HK\$360,000 per annum. Mr. Chau is not entitled to any bonus payment. His director's fee is determined by the Board having regard to Mr. Chau's duties and responsibilities.

Save as disclosed above, Mr. Chau Ka Wah, Arthur has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. Chau Ka Wah, Arthur was interested in 200,000 Shares which represent the Shares which may fall to be allotted and issued upon exercise in full of the share options granted by the Company to Mr. Chau under the Share Option Scheme.

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Chau that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the shareholders in relation to his re-election.

**YEUNG Ting Lap Derek Emory**, aged 38, has been appointed as an independent non-executive director of the Company since January 2011. He is the chief executive officer and co-founder of she.com international holdings limited and a non-executive director of Bio-dynamic Group Limited and Asia Coal Limited respectively, both are companies listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"). Mr. Yeung holds a bachelor degree in applied mathematics and economics from Brown University and a master degree in business administration and accounting from Northeastern University, both in the United States of America. Mr. Yeung is a certified public accountant and a member of the American Institute of Certified Public Accountants. He is also an adjudicator of the registration of persons tribunal of the HKSAR, an executive director of the Hong Kong United Youth Association, member of the town planning appeal board panel and the municipal services appeals board.

Mr. Yeung Ting Lap Derek Emory has entered into an appointment letter with the Company for an initial term of three years with effect from 20 January 2011, which shall continue for further successive periods of one year each and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the Company. Under the appointment letter, Mr. Yeung Ting Lap Derek Emory is entitled to a director's fee of HK\$288,000 per annum. Mr. Yeung is not entitled to any bonus payment. His director's fee is determined by the Board having regard to Mr. Yeung's duties and responsibilities.

Save as disclosed above, Mr. Yeung Ting Lap Derek Emory has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company (as defined in the Listing Rules).

Save as disclosed above, the Board is not aware of any matter in relation to Mr. Yeung that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the shareholders in relation to his re-election.

Save as disclosed above, none of the Directors who are proposed for re-election at the forthcoming AGM has held any directorships in any listed public companies in the last three years.

Save as disclosed above, none of the Directors who are proposed for re-election at the forthcoming AGM has any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Saved as disclosed above, none of the Directors who are proposed for re-election at the forthcoming AGM has held any other positions in any members of the Group.

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to the Shareholders for their consideration of the proposal to permit the granting of the general mandate given to the Directors to repurchase Shares.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolution to approve the granting to the Directors the Repurchase Mandate.

The Repurchase Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company is required to be held by the Companies Law and the Articles or any earlier date as referred to in paragraph (c) of resolution 7 as set out in the Notice.

### **EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the number of Shares in issue was 1,248,200,000 Shares. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as at the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase 124,820,000 Shares, representing 10% of the issued share capital of the Company, if there is no issue of Shares subsequent to the date of the circular and before the AGM.

### **REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Repurchases will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

### **FUNDING OF REPURCHASES**

In making repurchase, the Company proposes to apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the Listing Rules, the Companies Law and the applicable laws of the Cayman Islands. Any repurchases by the Company may be made out of capital paid up on the Shares to be repurchased (if so authorised by the Articles and subject to the provisions of the Companies Law), or out of funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of premiums payable on repurchase, funds of the Company which would otherwise be available for dividend or distribution or out of sums standing to the credit of the Company's share premium account or out of capital paid up on the Shares to be repurchased (if so authorised by the Articles and subject to the provisions of the Companies Law).

## **IMPACT OF REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 December 2010) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **DISCLOSURE OF INTERESTS**

None of the Directors nor (to the best of their knowledge having made all reasonable enquiries) their associates has any present intention, if the Repurchase Mandate is exercised and is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no connected persons (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any Shares to the Company or its subsidiaries or has undertaken not to do so if the Repurchase Mandate is exercised and is approved by the Shareholders.

## **DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Companies Law and the applicable laws of Cayman Islands.

## **SHARES REPURCHASES MADE BY THE COMPANY**

No repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

## **EFFECT ON TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

To the best of the knowledge and belief of the Company, Famous Ever, the controlling shareholder of the Company, was beneficially interested in 558,000,000 Shares, representing approximately 44.70% of the issued share capital of the Company as at the Latest Practicable Date.

For the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), each of Tianjin Development Holdings Limited, Tianjin Investment Holdings Limited and Tsinlien Group Company Limited (collectively the “Related Companies”) is taken to have an interest in the same 558,000,000 Shares. In the event that the Directors should exercise in full power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, assuming the present shareholding otherwise remained the same, the aggregate interests of Famous Ever and the deemed interests of the Related Companies in the Company would be increased to approximately 49.67% of the issued share capital of the Company. The Directors believe that such an increase will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent that an obligation to make a mandatory offer under Takeovers Code may arise.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the number of Shares held by the public may fall below 25%. However, the Directors do not intend to exercise the Repurchase Mandate so as to reduce the issued share capital of the Company in public hands to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange).

## SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the last twelve months were as follows:

Year	Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010	April	3.22	2.44
	May	3.25	2.55
	June	3.50	2.80
	July	3.41	2.95
	August	3.68	3.20
	September	4.78	3.05
	October	5.62	4.35
	November	5.10	3.63
	December	4.80	4.18
2011	January	4.70	3.62
	February	3.84	3.18
	March	3.48	2.71
	April (up to the Latest Practicable Date)	2.99	2.65



**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)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Dynasty Fine Wines Group Limited (the “Company”) will be held at East & West Rooms, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 3 June 2011 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited Consolidated Financial Statements of the Company and its subsidiaries and the Reports of the Directors and Auditor for the year ended 31 December 2010;
2. To approve and declare dividends for the year ended 31 December 2010;
3. To re-elect Directors;
4. To authorise the Board of Directors to fix the remuneration of the Directors;
5. To re-appoint the Company’s auditor and to authorise the Board of Directors to fix its remuneration;
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary shares of HK\$0.10 each in the capital of the Company (“Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities, and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period (as

hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate nominal amount of the ordinary share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into Shares or warrants to subscribe for Shares; or (iv) any scrip dividends or similar arrangement, providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the ordinary issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means the allotment, issue or grant of Shares or securities convertible into Shares pursuant to an offer of Shares open for a period fixed by the Directors of the Company to the holders of Shares or of such securities or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or of such securities or any class thereof as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having

regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary issued shares of the Company of HK\$0.10 (“Shares”) each on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the ordinary issued share capital of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

8. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the resolution nos. 6 and 7 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and otherwise deal with shares of the Company (“Shares”) pursuant to resolution no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 7 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the ordinary issued share capital of the Company as at the date of passing of this resolution.”

By Order of the Board  
**YEUNG CHI TAT**  
*Company Secretary*

Hong Kong, 18 April 2011

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
3. The register of shareholders of the Company will be closed from 30 May 2011 to 3 June 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed dividends and to determine entitlement to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not later than 4: 30 p.m. on 27 May 2011.
4. Where there are joint holders of any share, any one of such joint holder may vote, either in person 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 the vote of the senior who tenders a vote, whether in person or by proxy, 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 the joint holding.
5. A form of proxy for the meeting will be enclosed with the circular.
6. As at the date hereof, the Board of Directors 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. Wu Xuemin, Mr. Jean-Marie Laborde, Mr. Dong Jingrui, Mr. Wong Ching Chung and Mr. Robert Luc, and 3 independent non-executive directors, namely, Dr. Hui Ho Ming, Herbert, Mr. Chau Ka Wah, Arthur and Mr. Yeung Ting Lap Derek Emory.