

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 West Room, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on 30 May 2008 at 10:30 a.m. is set out on pages 12 to 15 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 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:

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| “AGM” | the annual general meeting of the Company to be convened at West Room, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 30 May 2008 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” | 23 April 2008, 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 |
| “Notice” | the notice convening the AGM as set out in Appendix III to this circular |
| “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 |

DEFINITIONS

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| “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) |
| “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)

(Stock code: 828)

Directors:

Bai Zhisheng (*Chairman*)

Heriard-Dubreuil Francois* (*Vice Chairman*)

Cheung Wai Ying, Benny*

Zhang Wenlin*

Wong Ching Chung*

Robert Luc*

Lai Ming, Joseph**

Hui Ho Ming, Herbert**

Chau Ka Wah, Arthur**

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

* *Non-executive director*

** *Independent non-executive director*

25 April 2008

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, approve the re-election of Directors, the granting of the general mandates to issue and repurchase the Shares.

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 the retiring Directors 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.

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 249,000,000 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, 30 May 2008 at 10:30 a.m. at which the above proposals will be considered is reproduced on pages 12 to 15 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). 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 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.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Article 66 of the Articles, a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent or more of the total voting rights of all Shareholders having the right to vote at such meeting.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

RECOMMENDATION

The Directors consider that the proposals for re-election of Directors, general mandates to repurchase Shares and to issue new Shares 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 retiring Directors proposed for re-election at the AGM are set out as follows:

EXECUTIVE DIRECTOR

BAI Zhisheng, aged 52, was appointed as a non-executive Director of the Company in August 2004 and is an executive Director, the chairman and the general manager 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 Tianyang Grape Winery Co. Ltd., Shandong Yu Huang Grape Wine 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”), a company listed on the Stock Exchange. He has been the deputy general manager of Tianjin Agricultural Cultivation Group Company since 1991 and subsequently he was 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 2006, which shall continue for further successive periods of one year each, provided that either party may terminate the service agreement 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 or 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 represents the Shares which may fall to be allotted and issued upon exercise in full of the share option granted by the Company to Mr. Bai under the share option scheme of the Company (“Share Option Scheme”).

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 appointment.

NON-EXECUTIVE DIRECTORS

ZHANG Wenlin, aged 57, was appointed as a non-executive Director of the Company in August 2004. He has been the chief accountant of Tianjin Agricultural Cultivation Group Company since 2000. He is also a qualified senior accountant. Mr. Zhang graduated from the undergraduate programme of Jilin Agricultural University in 1985 where he majored in agricultural economics and earned a master’s degree in business administration from Macao University of Science and Technology in 2004.

Mr. ZHANG Wenlin has entered into a service contract with the Company for a term of three years with effect from 25 January 2008, which shall continue for further successive periods of one year each, provided that the Company may terminate the service agreement by two months notice. Under the

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

service contract, Mr. Zhang Wenlin is entitled to a director's fee of HK\$360,000 per year in aggregate. Mr. Zhang Wenlin is not entitled to any bonus payment. His director's fee is determined by the Board having regard to Mr. Zhang's duties and responsibilities.

Mr. Zhang Wenlin has no relationship with any other Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. Zhang Wenlin was interested in 900,000 Shares which represents the Shares which may fall to be allotted and issued upon exercise in full of the share option granted by the Company to Mr. Zhang under the Share Option Scheme.

The Board is not aware of any matter in relation to Mr. Zhang 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 appointment.

WONG Ching Chung, aged 68, was appointed as a non-executive Director of the Company in August 2004. He also holds directorship in subsidiaries of the Company, namely Grand Spirit and Dynasty Winery. He is also a censeur (監事) of Orpar S.A. which is a shareholder of the Company, and the chairman of Shanghai Shenma Winery Co., Ltd. Prior to joining Orpar S.A. in 2003, he was a director of Remy Cointreau S.A. between 1999 and 2002 and the regional managing director of Remy Associes and Maxxium Worldwide B.V. between 1986 and 2002. He graduated from The University of Hong Kong with a bachelor's degree in 1964 and from Arthur D. Little Management Institute, USA with a master of science in management degree in 1981. Mr. Wong has extensive experience in the wines industry for over 20 years. He was also awarded the Officier de l'Ordre du Merite Agricole by the French government in 1994 in recognition of his accomplishment in the wines and spirits industry.

Mr. Wong Ching Chung has entered into a service contract with the Company for a term of three years with effect from 25 January 2008, which shall continue for further successive periods of one year each, provided that the Company may terminate the service agreement by two months notice. Under the service contract, Mr. Wong Ching Chung is entitled to a director's fee of HK\$360,000 per year in aggregate. Mr. Wong is not entitled to any bonus payment. His directors' fee is determined by the Board having regard to Mr. Wong's duties and responsibilities.

Save as the common directorships of Mr. Wong and various Directors in various subsidiaries of the Company, Mr. Wong Ching Chung has no relationship with any other Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. Wong Ching Chung was interested in 900,000 Shares which represents the Shares which may fall to be allotted and issued upon exercise in full of the share option granted by the Company to Mr. Wong under the Share Option Scheme.

The Board is not aware of any matter in relation to Mr. Wong 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 appointment.

INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAU Ka Wah, Arthur, aged 62, was appointed as an independent non-executive Director of the Company in 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 2008. Under the letter, Mr. Chau Ka Wah, Arthur, is entitled to a director's fee of HK\$360,000 per year in aggregate. 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.

Mr. Chau Ka Wah, Arthur has no relationship with any other Directors, senior management or 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 500,000 Shares which represents the Shares which may fall to be allotted and issued upon exercise in full of the share option granted by the Company to Mr. Chau under the Share Option Scheme.

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 appointment.

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 1,245,000,000 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 124,500,000 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 2007) 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 have 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 Takeover 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 Takeover 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 44.82% 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

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| APPENDIX II | EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE |
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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 49.80% 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 Takeover 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 Takeover 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 HK\$ | Lowest HK\$ |
|-------------|---|-------------------------|------------------------|
| 2007 | April | 3.600 | 3.150 |
| | May | 3.570 | 3.170 |
| | June | 3.540 | 3.190 |
| | July | 3.200 | 2.970 |
| | August | 3.150 | 2.410 |
| | September | 3.150 | 2.800 |
| | October | 3.600 | 2.990 |
| | November | 3.490 | 2.990 |
| | December | 3.230 | 2.900 |
| 2008 | January | 3.180 | 1.800 |
| | February | 2.190 | 1.820 |
| | March | 2.090 | 1.400 |
| | April (up to the Latest Practicable Date) | 1.770 | 1.500 |

**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 West Room, 23rd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 30 May 2008 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 Auditors for the year ended 31 December 2007;
2. To approve and declare a final dividend for the year ended 31 December 2007;
3. To re-elect the retiring Directors;
4. To authorise the Board of Directors to fix the remuneration of the Directors;
5. To re-appoint the Company’s auditors and to authorise the Board of Directors to fix their 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 additional 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, 25 April 2008

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 shareholder of the Company will be closed from 27 May 2008 to 30 May 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend 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 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 26 May 2008.
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 1 executive director, namely, Mr. Bai Zhisheng, 5 non-executive directors, namely, Mr. Heriard-Dubreuil Francois, Mr. Cheung Wai Ying, Benny, 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.