

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

GRACE
VINEYARD

怡園酒莊

Grace Wine Holdings Limited
怡園酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8146)

PROFIT WARNING

This announcement is made by Grace Wine Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group (“**Management Accounts**”) for the year ended 31 December 2024 (“**FY2024**”), the Group expects to record a loss before tax of not less than RMB35 million for FY2024 as compared with a profit before tax of RMB11.5 million for the year ended 31 December 2023 (“**FY2023**”). The loss was mainly attributable to the following reasons:

- (i) The impairment losses for the disposal of the Group’s distillery business: According to the poll results announcement of the Company of the extraordinary general meeting held on 19 February 2025, the independent shareholders of the Company have approved the disposals of certain assets, among them, the distillery business of the Company. Please refer to the announcements of the Company dated 5 and 27 December 2024, 21 January 2025 and 19 February 2025 and the circular of the Company dated 24 January 2025 for further details. Accordingly, the Group is expected to dispose the entire issued share capital of its subsidiary, Pacific Surplus Limited, and its subsidiaries, together with a shareholder’s loan at a cash consideration of HK\$71,280,000 to the controlling shareholder of the Company, Ms. Judy Chan. Based on the management’s estimation, the disposal will result in a loss on disposal to the Group in 2025 upon completion. In light of the existence of the above impairment indicator, an impairment assessment was then performed with reference to the consideration, and resulted in an estimated impairment losses of approximately RMB25 million on the potential disposal of the distillery business;

- (ii) a decrease in the overall sales volume of over 45% due to the poor market sentiment;
and
- (iii) consumers opting for more entry-level wines, which have a lower profit margin.

The information contained in this announcement is based solely on a preliminary assessment by the Board with reference to the Management Accounts for FY2024 along with the information currently available to the Company, which have neither been audited nor reviewed by the Company's independent auditors or the audit committee of the Board. Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for FY2024, which is expected to be published on 20 March 2025. The Company's annual report for FY2024 will be published subsequently in the manner as required by the GEM Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Grace Wine Holdings Limited
Judy Chan

Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 7 March 2025

As at the date of this announcement, the Board comprises Ms. Judy Chan as the executive Director; Mr. Chow Christer Ho, Dr. Cheung Chai Hong and Mr. James Douglas Richard Field as the non-executive Directors; and Mr. Ho Kent Ching-tak, Mr. Lim Leung Yau Edwin and Mr. Alec Peter Tracy as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the day of publication. This announcement will also be published on the Company's website at www.gracewine.com.hk.