17 September 2026

To: The Independent Board Committee of
China Tontine Wines Group Limited

Dear Sir/Madam,

CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
I WIN SECURITIES LIMITED
FOR AND ON BEHALF OF MR. WANG HE
TO ACQUIRE 56,320,200 SHARES IN
CHINA TONTINE WINES GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY MR. WANG HE AND
PARTIES ACTING IN CONCERT WITH HIM)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer, details of which are set out in the Response Document dated 17 September 2026 issued by the Company to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

On 6 August 2026 (after trading hours), the Offeror notified the Company that he has firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 56,320,200 Offer Shares (representing approximately 18.68% of the Company's total issued share capital as at the date of the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with him at the Offer Price of HK$0.20 per Offer Share.

The making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

According to the announcement made by the Offeror on 2 September 2026, the consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code has been obtained from the Executive. The Pre-Condition was fulfilled on 1 September 2026.

THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising all the non-executive directors who have no direct or indirect interest in the Partial Offer, namely Mr. Li Jerry Y. and Mr. Zhu Minghui, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Shareholders as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer.

As disclosed in the announcement of the Company dated 21 August 2026, the then Independent Board Committee, comprising all the non-executive Directors, namely Mr. Li Jerry Y., Mr. Zhu Minghui and Mr. Guo Yuxin, and all the independent non-executive Directors, namely Mr. Li Liang, Ms. Lui Mei Ka and Mr. Chan Wai Ki.

As disclosed in the announcement of the Company dated 4 September 2026, Mr. Chan Wai Kit suggested, and the Board has agreed, that Mr. Chan shall remove himself from the then Independent Board Committee in relation to the Partial Offer with effect from 26 August 2026, due to a possible conflict of interest arising from the fact that Mr. Chan is an executive director of Amasse Capital Holdings Limited (stock code: 8168). Amasse Capital Limited, being the financial adviser to the Offeror in respect of the Partial Offer, is a wholly-owned subsidiary of Amasse Capital Holdings Limited (as disclosed in the latest annual report of Amasse Capital Holdings Limited).

Furthermore, as disclosed in the announcement of the Company dated 15 September 2026, Mr. Guo Yuxin, Mr. Li Liang, and Ms. Lui Mei Ka ceased to be non-executive Directors of the Company.

As a result of the above, as at the Latest Practicable Date, the Independent Board Committee comprised all the non-executive directors who have no direct or indirect interest in the Partial Offer, namely Mr. Li Jerry Y. and Mr. Zhu Minghui. The Independent Board Committee, despite being reduced in terms of number of members, has still been able to, after taking our advice, advise and give a recommendation to the Shareholders as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer.

We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Partial Offer and, in particular, as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company, the Offeror or any of their respective substantial shareholders (as applicable), directors or chief executives (as applicable), or any of their respective associates or parties acting in concert with any of them, and we were not in the same group as the financial or other professional adviser (including a stockbroker) to the Offeror and the Group, we do not and did not have, a significant connection, financial or otherwise with either the Offeror or the Company, or parties acting in concert with any of them, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of our advice. Accordingly, we are considered suitable to give independent advice to the Independent Board Committee in respect of the Partial Offer in compliance with Rule 2.6 of the Takeovers Code.

In the last two years, save for this appointment as the Independent Financial Adviser in respect of the Partial Offer, we have not acted as any financial adviser role to the Company or the Offeror.

Apart from the normal professional fees paid to us in relation to the current appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company, the Offeror or other parties that could reasonably be regarded as relevant to our independence. The aggregate professional fees paid to/to be paid to us do not make up a significant portion of our revenue during the relevant period which would affect our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser in respect of the Partial Offer.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on (i) the announcements in relation to the Partial Offer dated 13 August 2026, 21 August 2026 and 2 September 2026; (ii) the Offer Document and the Response Document; (iii) the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**") and the interim results announcement of the Company for the six months ended 30 June 2026 (the "**2026 Interim Results Announcement**"); (iv) the announcements of the Company in relation to the statements, information, opinions and representations contained or referred to in the Response Document; and (v) the information and representations as provided to us by the Directors, the management of the Company (the "**Management**"). We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Response Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Response Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Management, which have been provided to us. Our opinion is based on the Directors' and the Management's representation and confirmation that there is no undisclosed private agreement/ arrangement or implied understanding with anyone concerning the Partial Offer.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Response Document, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Response Document have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document, the omission of which would make any statements in the Response Document misleading.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Response Document, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions, or representations given or made by or on behalf of the Company, nor conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Partial Offer. The Company has been separately advised by its own professional advisers with respect to the Partial Offer and the preparation of the Response Document (other than this letter).

We have assumed that the Partial Offer will be consummated in accordance with the terms and conditions set forth in the Response Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that no delay, limitation, condition or restriction will be imposed in connection with the Partial Offer that would have a material adverse effect on the contemplated benefits expected to be derived from the Partial Offer. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. The Shareholders will be notified of any material changes (including changes to our opinions, advice and recommendations) as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Partial Offer, we have taken into account the following principal factors and reasons:

1. Information of the Group

1.1 Background information of the Group

The Group is principally engaged in the business of manufacturing and sales of wine products, with the 2025 Annual Report stating the principal activities of the Group continue to be the production and sales of grape wine in the PRC.

The Shares of the Company had been suspended from trading for approximately 18 months from 2 September 2024 due to, among other things, delay in despatch of the Group's interim results announcement for the six months period ended 30 June 2024.

On 29 November 2024, the Company received a letter from the Stock Exchange setting out the resumption guidance (the "**Resumption Guidance**") for the resumption of trading in the Company's shares.

Following fulfillment of resumption conditions by the Stock Exchange in the Resumption Guidance, the Shares resumed trading on 27 February 2026.

Please also refer to the section headed "Information on the Group" in the Letter from the Board of the Response Document for further details of the information on the Group.

1.2 Financial information of the Group

Set out below is a summary of the audited financial information of the Group for each of the financial years ended 31 December 2024 and 2025 as extracted from the 2025 Annual Report and unaudited financial information of the Group for each of the six months periods ended 30 June 2025 and 2026 as extracted from the 2026 Interim Results Announcement, being the latest published financial reports of the Group.

	For the financial year ended 31 December			For the six months period ended 30 June		
	2024	**2025**	**variance**	**2025**	**2026**	**variance**
	(audited)	*(audited)*	*%*	*(unaudited)*	*(unaudited)*	*%*
	HK$'000	*HK$'000*		*HK$'000*	*HK$'000*	
Revenue	107,988	159,373	47.6	59,695	74,755	25.2
Gross profit	7,361	28,066	281.3	7,454	16,083	115.8
Gross profit margin *(note 1)*	6.8%	17.6%		12.5%	21.5%	
Profit/(Loss) before taxation *(note 1)*	(347,254)	3,483	N/A	642	(3,376)	N/A
Profit/(Loss) for the year/period	(347,437)	1,662	N/A	460	(4,801)	N/A
Profit/(Loss) for the year/period attributable to owners of the Company	(321,302)	(843)	(99.7)	62	(4,969)	N/A

The Group recorded an increase in revenue of approximately HK$51.4 million, or approximately 47.6%, from approximately HK$108.0 million in the financial year ended 31 December 2024 to approximately HK$159.4 million in the financial year ended 31 December 2025. The increase was mainly attributable to a significant increase in revenue from sale of spirits.

The Group's revenue increased by approximately HK$15.1 million, or 25.2%, from approximately HK$59.7 million for the six months period ended 30 June 2025 to approximately HK$74.8 million for the six months period ended 30 June 2026. Such increase in revenue was mainly due to significant increase in revenue from sale of spirits and Japanese sake, partly offset by decreases in sale of sweet wine and dry wine.

The Group's gross profit increased by approximately HK$20.7 million, or 281.3%, from approximately HK$7.4 million in the financial year ended 31 December 2024 to approximately HK$28.1 million in the financial year ended 31 December 2025. Such increase is attributable to strong sales growth and higher gross margins of spirits and Japanese sake.

The Group's gross profit increased by approximately HK$8.6 million, or 115.8%, from approximately HK$7.5 million in the six months period ended 30 June 2025 to approximately HK$16.1 million in the six months period ended 30 June 2026. Such increase is attributable to strong sales growth and higher gross margins of spirits and Japanese sake.

Despite significant increase in gross profit and gross profit margin attributable to strong sales growth and higher gross margins of spirits and Japanese sake for the financial year ended 31 December 2025, the Group still reported a net loss of approximately HK$843,000 for the financial year ended 31 December 2025, mainly due to increase in selling and distribution expenses (in view of the change in consumption patterns, the Group strengthened cooperation with various online media platforms for online marketing, which effectively consolidated the market coverage of the Group's products), administrative expenses (mainly due to increase in salaries and related costs) and income tax expenses (profit before tax was recorded in the financial year ended 31 December 2025 as compared to a loss before tax in the financial year ended 31 December 2024).

The Group reported a net loss of approximately HK$843,000 for the financial year ended 31 December 2025, representing a decrease of approximately HK$320.5 million or 99.7% as compared with net loss of approximately HK$321.3 million for the financial year ended 31 December 2024, mainly due to combined effect of (i) one-off cash loss of approximately HK$92.1 million during the financial year ended 31 December 2024 arising from loss of certain accounting records and documents of certain subsidiaries of the Group over which the Group lost control (the "**Subject Subsidiaries**") *(note)*; (ii) one-off impairment loss arising from deconsolidation of the Subject Subsidiaries (including, among others, impairment loss on property, plant and equipment of approximately HK$58.9 million, impairment loss on biological assets of approximately HK$52.4 million and loss allowances for other receivables, deposits and prepayments as a result of loss on control on the Subject Subsidiaries, details of which are set out in the 2025 Annual Report) in aggregate of approximately HK$289.5 million for the financial year ended 31 December 2024.

The Group reported a net loss of approximately HK$5.0 million for the six months period ended 30 June 2026 as compared with net profit of approximately HK$62,000 for the six months period ended 30 June 2025, mainly due to increase in selling and distribution expenses, administrative and other operating expenses and income tax expense for the six months period ended 30 June 2026.

Despite that (i) the deconsolidation of the Subject Subsidiaries completed during the financial year ended 31 December 2024, and (ii) the revenue of the Group demonstrated an improving trend since the financial year ended 31 December 2025, whether or not the Group could turn around from loss making position is still uncertain.

Note:

Due to the Group's loss of control on the Subject Subsidiaries, the Company's auditor has issued a qualified opinion in its independent auditor's report for the consolidated statement of financial position as at 31 December 2024.

	As at 31 December 2025 *(audited)* *HK$'000*	**As at 30 June 2026** *(unaudited)* *HK$'000*	**Variance** *%*
Non-current assets	28,341	29,338	3.5
Current assets	194,164	172,907	(10.9)
– Bank and cash balances	29,974	23,869	(20.4)
Total assets	222,505	202,245	(9.1)
Non-current liabilities	15	nil	(100.0)
Current liabilities	69,471	62,027	(10.7)
Total liabilities	69,486	62,027	(10.7)
Net assets attributable to owners of the Company	91,734	86,765	(5.4)
Non-controlling interests	61,285	53,453	(12.8)
Net assets	153,019	140,218	(8.4)

The Group recorded a decrease in current assets by approximately HK$21.3 million, or approximately 10.9%, from approximately HK$194.2 million as at 31 December 2025 to approximately HK$172.9 million as at 30 June 2026 which was mainly attributable to decrease in trade receivables and bank and cash balances.

The Group recorded a decrease in current liabilities by approximately HK$7.4 million, or approximately 10.7%, from approximately HK$69.5 million as at 31 December 2025 to approximately HK$62.0 million as at 30 June 2026 which was mainly attributable to decrease in trade payables and other payables and accruals.

The Group's current ratio remained the same at approximately 2.79 as at 31 December 2025 and 30 June 2026.

The Group's non-current assets amounted to approximately HK$28.3 million as at 31 December 2025 and remained at approximately HK$29.3 million as at 30 June 2026. The Group's non-current assets mainly comprised of property, plant and equipment and right-of-use assets.

The Group recorded non-current liabilities (lease liability due after one year) of approximately HK$15,000 as at 31 December 2025, and the Group did not record any non-current liabilities as at 30 June 2026.

The net asset attributable to owners of the Company amounted to approximately HK$91.7 million as at 31 December 2025, and decreased by around HK$5.0 million or 5.4% to approximately HK$86.8 million as at 30 June 2026, mainly due to the net loss incurred during the six months period ended 30 June 2026.

The Group is in net current asset position with a current ratio of approximately 2.79 as at 31 December 2025 and 30 June 2026, and the Group carried no non-current liabilities as at 30 June 2026. The Group recorded bank and cash balances of approximately RMB30.0 million and 23.9 million respectively as at 31 December 2025 and 30 June 2026. The Group appears to have no financial or liquidity issue in the near term.

1.3 Prospects and outlook of the Group

As discussed earlier in section 1.1 of this letter, the principal activities of the Group continue to be the production and sales of grape wine in the PRC, and the Group's revenue and contribution to operating profit are mainly derived from activities carried out in the PRC. The Group has been loss making since the financial year ended 31 December 2022.

According to National Bureau of Statistics of China, the production of grape wine in the PRC amounted to 34 million litres during the five months period ended 31 May 2026, representing a year-on-year decrease of approximately 2.9%. In addition, the aggregate transaction volume of tobacco and alcohol in the PRC decreased from around RMB108.4 billion in 2016 to around RMB82.6 billion in 2024, representing approximately a decrease of approximately 3.34% per annum. Such decrease is due to, among others, (i) decrease in business banquets and business gifting; (ii) increase in health awareness among Chinese citizens, and decrease in number of smokers in younger generations as compared to older generations; and (iii) tobacco control and anti-corruption policies imposed by the PRC government.

Aggregate transaction volume of tobacco and alcohol in the PRC (billion)

2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
108.4	108.9	99.1	98.5	81.1	88.8	88.2	92.1	82.6

Source: National Bureau of Statistics of China

According to 華經情報網 *(Note 1)*, the production volume of grape wine in the PRC decreased from approximately 410 million litres in 2020 on a continuously down trend to approximately 100 million litres in 2025, representing approximately a decrease of approximately 16.17% per annum, mainly due to, among others, hospitality and meal expense limit imposed by the PRC government and decrease in demand for high end grape wine for government and business banquets purpose.

The demand for wine in the PRC has been changed from government and business banquets purpose to personal enjoyment purpose. In addition, while the demand for grape wine has shown a declining trend in the recent years, the demand for spirit and Japanese sake appears to grow, as demonstrated by spirit and Japanese sake being the growth driver of the Group's revenue in the financial year ended 31 December 2025 and six months period ended 30 June 2026. The PRC wine industry has been adapting to the aforementioned structural change. The near term prospect of the PRC's wine industry and the Group's business development, are both uncertain.

Note:

1. 華經情報網 Huajing Information Network (www.huaon.com) is affiliated with 華經產業研究院(華經艾凱(北京)企業諮詢有限公司) Huajing Industry Research Institute* (Huajing Aikai (Beijing) Enterprise Consulting Co., Ltd.* "**Huajing Aikai**"). Established in 2009, Huajing Aikai focuses on industrial economic intelligence and research across the Greater China region, empowering corporate business decision-making; it is a domestic provider of market research reports and competitive intelligence deeply rooted in the field of industrial research. Its clients include, among others, 中國科學院 (Chinese Academy of Sciences), Huawei, Alibaba and certain universities in the PRC, and its market researches have been quoted by, among others, 中國新聞網 (www.chinanews.com), 中國日報中文網 (www.chinadaily.com.cn) and 中國證券網 (www.cnstock.com).

2. Information of the Offeror

2.1 Background information of the Offeror and parties acting in concert with him

According to the Offer Document, the Offeror, aged 35, is a businessman in the PRC, with his businesses covering auto parts manufacturing, venture capital and equity investment. He founded an investment company in 2017, namely Bomhan Investment (Shenzhen) Co., Ltd.* (伯翰投資(深圳)有限公司) ("**Bomhan Investment**"), in Shenzhen, the PRC, with around 10 years of experience in the field of venture capital and finance. He is currently the controlling shareholder, the director and the general manager of Bomhan Investment. Bomhan Investment was established in 2017 in the PRC and mainly engaged in investment business, directly and indirectly investing in both private and listed companies in the PRC and Hong Kong.

Please refer to the Offer Document for further details of the background information on the Offeror.

2.2 Intention of the Offeror in relation to the Group

According to the Offer Document, the Offeror has no intention to (i) downsize, cease or dispose of the existing business of the Company; (ii) introduce any major changes in the principal business, including any redeployment of the fixed assets of the Company other than those in its ordinary and usual course of business; or (iii) discontinue the employment of the employees of the Offeree Group following the close of the Partial Offer.

Please refer to the Offer Document for further details of the background and reasons for the Partial Offer.

2.3 Public float and maintenance of the listing status of the Company

Please refer to the section headed "Public float of the Company" in the letter from the Board of the Response Document.

3. Principal terms of the Partial Offer

3.1 The Partial Offer

The Partial Offer is made by I Win Securities for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

For each Offer Share .... HK$0.20 in cash

The Offer Price of HK$0.20 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Last Trading Day.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

3.1.1 Condition to the Partial Offer

The Partial Offer is subject to the Condition that valid acceptances being received (and not, where permitted, withdrawn) in respect of a minimum of 56,320,200 Offer Shares (representing approximately 18.68% of the Offeree Company's total issued share capital as at the Latest Practicable Date) at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, which shall be at least 28 days following the despatch date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be extended by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

(i) for less than the required number of 56,320,200 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and

(ii) for not less than the required number of 56,320,200 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Please refer to the Appendix I of the Offer Document for further terms and procedures for acceptance of the Partial Offer.

3.2 The Offer Price

3.2.1 Comparisons of value of the Offer Price

The Offer Price of HK$0.20 per Offer Share represents:

a) a discount of approximately 42.86% to the closing price of HK$0.350 per Share as quoted on the Stock Exchange on 15 September 2026, being the Latest Practicable Date;

b) a discount of approximately 44.44% to the closing price of HK$0.360 per Share as quoted on the Stock Exchange on 6 August 2026, being the Last Trading Day;

c) a discount of approximately 34.21% to the average of the closing prices of the Shares of approximately HK$0.304 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

d) a discount of approximately 17.70% to the average of the closing prices of the Shares of approximately HK$0.243 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

e) a discount of approximately 1.00% to the average of the closing prices of the Shares of approximately HK$0.202 as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;

f) a discount of approximately 42.86% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK$0.35 per Share (based on (i) the Company's audited consolidated net assets attributable to the owners of the Company of approximately RMB91,734,000 (equivalent to approximately HK$106,411,440) as at 31 December 2025; and (ii) the total number of 301,561,800 issued Shares as at the Latest Practicable Date) as at 31 December 2025; and

g) a discount of approximately 39.39% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$0.33 per Share (based on (i) the Company's unaudited consolidated net assets attributable to the owners of the Company of approximately RMB86,765,000 (equivalent to approximately HK$100,647,400) as at 30 June 2026; and (ii) the total number of 301,561,800 issued Shares as at the Latest Practicable Date) as at 30 June 2026.

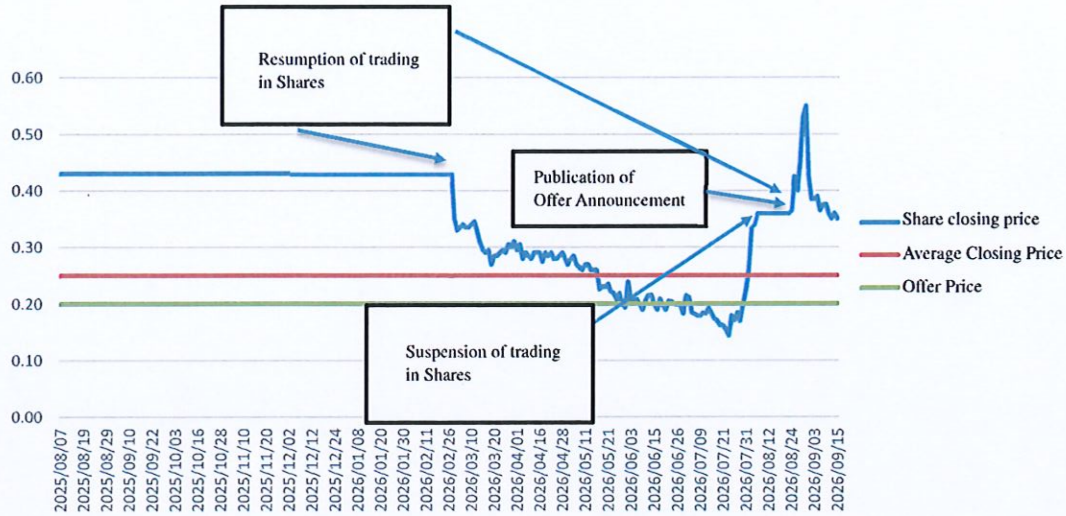
4. Total Value of the Partial Offer

Assuming valid acceptances of the Partial Offer for the required number of 56,320,200 Offer Shares have been tendered by the Qualifying Shareholders and based on the Offer Price of HK$0.20 per Offer Share, the total cash consideration payable by the Offeror to purchase the 56,320,200 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK$11,264,040.

5. Historical price and trading volume of the Shares

5.1 Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange from 7 August 2025 to the Last Trading Day (i.e. 6 August 2026) (the "**Review Period**"), being approximately one year preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: hkex.com.hk

From the beginning of the Review Period (i.e. 7 August 2025) and up to the Last Trading Day (i.e. 6 August 2026), the closing price of the Shares fluctuated roughly between HK$0.1440 (the "**Lowest Closing Price**") and HK$0.4300 (the "**Highest Closing Price**"), with an average closing price of approximately HK$0.2493 (the "**Average Closing Price**").

The Offer Price of HK$0.20 per Share is 38.9% over the Lowest Closing Price and is approximately 19.8% lower than the Average Closing Price. The Offer Price of HK$0.20 per Share is approximately 53.5% lower than the Highest Closing Price. The Offer Price is unattractive when compared to historical price performance during the Review Period.

Trading in the Share had been suspended since 2 September 2024 and resumed on 27 February 2026. The closing price of the Shares demonstrated a gentle declining trend from HK$0.430 on 27 February 2026 to the Lowest Closing Price of HK$0.140 on 23 July 2026. Since then, the closing price of the Shares increased to HK$0.171 on 27 July 2026, the day after which the Company published an announcement regarding placing of new shares under general mandate. The closing price of the Shares continued to increase to HK$0.260 on 3 August 2026, and hiked sharply to HK$0.360 on the Last Trading Day. Share trading resumed on 24 August 2026 and the Share price closed at HK$0.365. Since then, the Share price increased and reached a peak of HK$0.550 on 31 August 2026. The Share price gradually slided down and closed at HK$0.350 on the Latest Practicable Date.

5.2 Average daily trading volume for each month during the Review Period

The table below sets out the average daily trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by public Shareholders, respectively, during the Review Period:

	Number of trading day(s)	Average daily trading volume of the Shares per month *(approximate)*	Average daily trading volume of the Shares to the total number of issued Shares *(note 3)* *(approximate)*	Average daily trading volume of the Shares to the total number of issued Shares held by the public Shareholders *(note 4)* *(approximate)*
2026				
27 February *(note 1)*	1	6,273,025	2.08%	4.90%
March	22	284,729	0.09%	0.22%
April	19	154,106	0.05%	0.12%
May	19	173,000	0.06%	0.14%
June	21	112,607	0.04%	0.09%
July	22	141,954	0.05%	0.11%
3 August to 6 August (i.e. the Last Trading Day) *(Note 2)*	4	1,451,434	0.48%	1.13%
24 August to the Latest Practicable Date	17	903,056	0.30%	0.70%

Notes:

1. Trading in the Share was suspended since 2 September 2024 and resumed on 27 February 2026.

2. Trading in the Share was suspended since 7 August 2026 and resumed on 24 August 2026.

3. Based on 301,561,800 Shares in issue immediately as at the Latest Practicable Date.

4. Based on 128,122,928 Shares held by the public Shareholders as at the Latest Practicable Date.

During the Review Period, the average daily trading volume ranged from approximately 112,607 Shares (in June 2026) to approximately 6,273,025 Shares (on 27 February 2026), representing approximately 0.04% to 2.08% of the total number of issued Shares, and representing approximately 0.09% to 4.90% of the total number of issued Shares held by public Shareholders as at the end of the respective month/period. The trading volume of the Shares in February 2026 (i.e. on 27 February 2026) was exceptionally high due to resumption of trading of the Shares since suspension on 2 September 2024. Since then, the average daily trading volume of the Shares was below 1% of the total number of issued Shares held by public Shareholders from time to time during March 2026 to July 2026 indicating generally thin trading volume for the Shares. Trading volume of the Shares increased considerably in August 2026, which could possibly be due to, among others, announcements of the Company regarding (i) placing of new Shares under general mandate on 26 July 2026; (ii) requisition for convening a special general meeting on 11 August 2026; and (iii) the pre-conditional Partial Offer on 13 August 2026.

It is important to note that the Offer Price of HK$0.20 is significantly lower than the recently observed market prices of the Shares during the portion of the Review Period that follows the release of the Offer Announcement. However, the Qualifying Shareholders (especially those with relatively substantial amount of shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in view of the historically inactive trading of the Shares, not to mention that such disposal would exert downward pressure on the Share price. Therefore, the Partial Offer provides an exit alternative for the Qualifying Shareholders who would like to realise their investments in the Shares, particularly if they have relatively sizeable shareholdings or if they want to realise their investments in the near term given the uncertainties in trading resumption.

6. Comparable companies

In assessing the fairness and reasonableness of the Partial Offer, we have performed a comparable analysis on the terms of the Partial Offer.

Given that (i) the Group is principally engaged in production and sale of wines with a market capitalization of approximately HK$108 million on the Last Trading Day, we have identified comparable companies (i) who are listed on the Stock Exchange with a market capitalization of less than HK$500 million, being approximately 5 times of that of the Group; and (ii) whose principal businesses involve both (a) manufacturing/production of wines; and (b) sales of wines.

Based on such criteria, we have identified, to the best of our knowledge, an exhaustive list of 2 comparable companies (the "**Comparable Company(ies)**").

The price-to-sales ratio (the "**PS Ratio**") is a valuation metric that compares the stock price of a business to its revenue and is a measure of how much the financial markets value each dollar of a company's sales. The PS Ratio also indicates how much money investors are ready to pay for a stock per dollar of sales.

The price-to-book ratio (the "**PB ratio**") compares a company's market value to its book value, showing how many dollars investors pay for each dollar of the company's net assets.

The Comparable Companies were selected exhaustively with a 100% coverage of all suitable Comparable Companies satisfying the above selection criteria under an unbiased selection process. Although there are differences in financial conditions, target customers and market capitalisation between the Company and the Comparable Companies, in light of that the Comparable Companies are engaged in similar principal activities and listed on the Stock Exchange, they are likely to be influenced by similar macro-economic factors as the Group including, but not limited to, economic outlook and demand for drugs and therapies. In light of the above, we are of the view that the Comparable Companies are a fair and representative sample and can serve as a reference to the fairness and reasonableness of the Offer Price.

The following table sets out our analysis on the Comparable Companies:

Company name	**Stock code**	**Principal business of the Comparable**	**Market Capitalisation**	**PS Ratio**	**PB Ratio**
			(note 1)	*(note 2)*	*(note 3)*
			HK$' million	*times*	*times*
DYNASTY FINE WINES GROUP LTD.	828	manufacture and distribution of wine products	259.15	1.52	0.76
GRACE WINE HOLDINGS LTD.	8146	production and distribution of wine, spirits, and other alcoholic products	292.68	7.23	2.85
			Maximum	**7.23**	**2.85**
			Minimum	**1.52**	**0.76**
			Average	**4.38**	**1.80**
The Company	**389**	**production and sale of wines**	**60.31**	**0.33**	**0.60**
			(note 4)	*(note 5)*	*(note 6)*

Source: hkexnews

Notes:

1) Based on the closing price of the share of the respective Comparable Company as quoted on the Stock Exchange as at the Last Trading Day and their respective issued shares (excluding treasury shares) as quoted on the latest published monthly return available on the website of the Stock Exchange.

2) The figures are calculated based on the market capitalisation of the respective Comparable Company (please refer to note 1 above) divided by the revenue of the respective Comparable Company in the latest financial year.

3) The figures are calculated based on the market capitalisation of the respective Comparable Company (please refer to note 1 above) divided by the net assets of the respective Comparable Company in the latest financial year/period.

4) Being the valuation of the Company implied by the Offer Price.

5) The figure is calculated by dividing the valuation of the Company implied by the Offer Price and the revenue of the Company for the year ended 31 December 2025 from the 2025 Annual Report.

6) The figure is calculated by dividing the valuation of the Company implied by the Offer Price and the net assets attributable to owners of the Company as at 30 June 2026 from the 2026 Interim Results Announcement.

7) The price-to-earnings ratio (the "**PE Ratio**") shows how much investors are willing to pay for a company's earnings indicating if a stock might be overvalued (high PE Ratio) or undervalued (low PE Ratio) relative to its profitability, often compared to industry peers or historical trends. The PE Ratio of the Group and the Comparable Companies are not illustrated as the Group was loss making in the financial year ended 31 December 2025.

8) For the purpose of this comparable analysis only, amounts denominated in RMB have been translated into HK$ at the exchange rate of RMB1 to HK$1.16.

As illustrated above, the PS Ratio and PB Ratio of the Company implied by the Offer Price is lower than the minimum PS Ratio and PB Ratio of the Comparable Companies. Based on the results of the above analysis of the PS Ratios and PB Ratios of the Comparable Companies, the Offer Price is unattractive.

RECOMMENDATION

We note that:

1) the PRC wine industry has been adapting to the aforementioned structural change, and the prospect and outlook of the PRC wine industry is uncertain in the short run, as discussed in section 1.3 of this letter;

2) the historical thin trading volume of the Shares, as discussed in section 5.2 of this letter;

3) the Offeror is a businessman in the PRC with his businesses covering auto parts manufacturing, venture capital and equity investment which appear to be not directly related to the principal activities of the Group which are the production and sales of grape wine in the PRC;

4) even in the event that the Partial Offer is accepted in full, the Offeror would only achieve a shareholding of only approximately 29.90% in the Company which is less than the threshold of obtaining "control" over the Company indicating he might not be able to effectively implement his plans or policy, if any, for the Company going forward; and

5) given points 3 and 4 above, it would appear that the underlying circumstances of the Company would not fundamentally change as a result of the Partial Offer so the mere existence of the Partial Offer should not be a determining factor as to whether the Shareholders should hold or not hold the Shares.

However, we have also considered that:

1) the Offer Price of HK$0.20 per Share is 38.9% over the Lowest Closing Price and is approximately 19.8% lower than the Average Closing Price. The Offer Price of HK$0.20 per Share is approximately 53.5% lower than the Highest Closing Price. The Offer Price is unattractive when compared to historical price performance during the Review Period, as discussed in section 5.1 of this letter; and

2) the PS Ratio and PB Ratio of the Company implied by the Offer Price is lower than the minimum PS Ratio and PB Ratio of the Comparable Companies. Based on the results of the above analysis of the PS Ratios and PB Ratios of the Comparable Companies, the Offer Price is unattractive, as discussed in section 6 of this letter.

Taking into account all of the above, we are of the opinion that (i) the Offer Price is unattractive; and (ii) the Offer is not fair and reasonable so far as the Independent Shareholders are concerned, we would recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Offer, given the above circumstances.

For those Independent Shareholders who wish to realise their investments in the Company, we recommend that they consider disposing of their Shares in the open market, rather than accepting the Partial Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Partial Offer. Nevertheless, the Independent Shareholders should also note that they may not be able to realise their investments in the Shares at a price higher than the Offer Price of HK$0.20 when they dispose of their partial or entire holdings in the open market. In such circumstances, the Offer might provide an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares at the Offer Price of HK$0.20.

The Qualifying Shareholders should also note the possibility that, if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Even if they tender their Shares for acceptance under the Partial Offer, if the Offeror receives valid acceptances for more than 56,320,200 Shares, only part of but not all of the Shares tendered for acceptance will be taken up under the Partial Offer.

In addition, we would like to remind the Independent Shareholders that they should bear in mind the potential difficulties they may encounter in disposing of the Shares after the close of the Partial Offer in view of the historical low trading liquidity of the Shares as discussed in section 5.2 of this letter and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period. The Independent Shareholders are strongly advised that the decision to realise or to continue to hold the Shares is subject to individual circumstances and investment objectives of the Independent Shareholders. In any event, the Independent Shareholders should note that there is no certainty that the current trading price level of the Shares will be sustainable during or after the Offer Period.

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, they would carefully read the procedures for accepting or not accepting the Partial Offer as set out in the Response Document, its appendices and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of
Grand Moore Capital Limited

Philip Chau
Managing Director

Yours faithfully,
For and on behalf of
Grand Moore Capital Limited

Kevin So
Managing Director – Investment Banking Department

Note:

Mr. Philip Chau is a licensed person under the SFO to undertake types 1 and 6 regulated activities (dealing in securities and advising on corporate finance respectively) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Mr. Chau has over 30 years of experience in banking and corporate finance in Hong Kong.

Mr. Kevin So is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Mr. So has over 20 years of experience in the corporate finance industry in Hong Kong.