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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)

**INSIDE INFORMATION
UPDATE ON THE GROUP'S FINANCIAL RESULTS
IN RELATION TO THE OUTBREAK OF THE COVID-19**

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 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).

Reference is made to the Company’s announcement dated 25 February 2020 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide an update to the Shareholders about the Group’s financial results for the three months ended 31 March 2020 (“**1Q2020**”). Based on the preliminary review of the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for 1Q2020, the Group is expected to record a drop in revenue by approximately RMB6 million or 47% for 1Q2020 as compared with that for the three months ended 31 March 2019 (“**1Q2019**”), primarily due to the significant drop in the Group’s sales since February 2020 as a result of the outbreak of COVID-19 in the PRC as mentioned in the Announcement. However, the Group is expected to record a decrease in net loss by approximately RMB1 million or 31% in 1Q2020 as compared with that for 1Q2019, primarily due to the decrease in administrative expenses during 1Q2020 as a result of the absence of the share-based payments made as remuneration to certain management personnel in 1Q2019 amounting to approximately RMB2.6 million.

The information contained in this announcement is based solely on a preliminary assessment by the Board with reference to the Management Accounts for 1Q2020 along with any information currently available to the Company, which have neither been audited nor reviewed by the Company's auditors or the audit committee of the Company. Further details of the Group's financial results and performance will be disclosed in the quarterly results announcement of the Company for 1Q2020, which is expected to be published on 7 May 2020.

Shareholders 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, 4 May 2020

As at the date of this announcement, the Board comprises Ms. Judy Chan and Mr. Fan Chi Chiu as the executive Directors, Ms. Hou Tan Tan Danielle and Mr. Chow Christer Ho 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 on the GEM website at <https://www.hkgem.com> for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at <http://www.gracewine.com.hk>.