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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO (1) VERY SUBSTANTIAL DISPOSALS AND CONNECTED TRANSACTIONS IN RELATION TO THE PACIFIC SURPLUS DISPOSAL AND THE EPIC WEALTH DISPOSAL (2) PROPOSED DECLARATION AND PAYMENT OF THE PACIFIC SURPLUS SPECIAL DIVIDEND AND THE EPIC WEALTH SPECIAL DIVIDEND

Reference is made to the announcements of Grace Wine Holdings Limited (the "**Company**") dated 5 and 27 December 2024 (the "**Announcements**") in relation to, among others, (i) the Pacific Surplus Disposal and the proposed declaration, distribution and payment of the Pacific Surplus Special Dividend; and (ii) the Epic Wealth Disposal and the proposed declaration, distribution and payment of the Epic Wealth Special Dividend. Unless otherwise defined, all capitalised terms used herein shall have the same meanings as those defined in the Announcements.

THE PACIFIC SURPLUS SUPPLEMENTAL AGREEMENT AND THE EPIC WEALTH SUPPLEMENTAL AGREEMENT

The Board announces that on 21 January 2025 (after trading hours), the Company (as seller) entered into (i) the supplemental agreement to the Pacific Surplus Agreement (the "**Pacific Surplus Supplemental Agreement**", together with the Pacific Surplus Agreement, the "**Pacific Surplus Agreements**"); and (ii) the supplemental agreement to the Epic Wealth Agreement (the "**Epic Wealth Supplemental Agreement**", together with the Epic Wealth Agreement, the "**Epic Wealth Agreements**") with Ms. Chan as purchaser.

As disclosed in the Announcements, the distribution and payment of (i) the Pacific Surplus Special Dividend is conditional upon, among others, the Pacific Surplus Completion has taken place; and (ii) the Epic Wealth Special Dividend is conditional upon, among others, the Epic Wealth Completion has taken place. Furthermore, the Company has been informed by Palgrave Enterprises Limited and Ms. Wong that any Pacific Surplus Special Dividend and/or Epic Wealth Special Dividend that Palgrave Enterprises Limited and Ms. Wong are entitled to receive shall be used to net off the Pacific Surplus Consideration and/or the Epic Wealth Consideration to be paid by Ms. Chan (the "**Net-off Arrangements**"). Palgrave Enterprises Limited and Ms. Wong confirmed that they would not dispose of any of the Shares prior to the record date of the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend.

As such, the Company (as seller) and Ms. Chan (as purchaser) entered into the Pacific Surplus Supplemental Agreement and the Epic Wealth Supplemental Agreement:

(i) to amend the terms on payment of the Pacific Surplus Consideration and the Epic Wealth Consideration, in confirming the Net-off Arrangements; and

(ii) to amend the conditions precedent of (a) the Pacific Surplus Agreement that the Pacific Surplus Completion is conditional upon, among others, the declaration, distribution and payment of the Pacific Surplus Special Dividend is approved by the Independent Shareholders at the EGM; and (b) the Epic Wealth Agreement that the Epic Wealth Completion is conditional upon, among others, the declaration, distribution and payment of the Epic Wealth Special Dividend is approved by the Independent Shareholders at the EGM, to clarify that the Pacific Surplus Disposal and the Epic Wealth Disposal, even if approved by the Independent Shareholders, will only be proceeded, if the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend, respective, is approved by the Independent Shareholders.

The major amended terms of the Pacific Surplus Agreements and the Epic Wealth Agreements are set out below:

The amended term for the payment of the Pacific Surplus Consideration and the Epic Wealth Consideration

Pursuant to the Pacific Surplus Agreements and the Epic Wealth Agreements, Ms. Chan (or her nominee) shall pay the Pacific Surplus Consideration and the Epic Wealth Consideration net of the amounts of the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend, respectively, to be received by Macmillan Equity, Palgrave Enterprises Limited and Ms. Wong, to the Company by telegraphic transfer in cleared funds to the bank account of the Company in Hong Kong dollars unless otherwise agreed among the parties.

The amended conditions precedent for the Pacific Surplus Completion

Pursuant to the Pacific Surplus Agreements, the Pacific Surplus Completion is conditional upon and subject to the fulfilment and/or waiver (where applicable) of the following conditions on or before the Long Stop Date:

(a) the Pacific Surplus Agreement, the Pacific Surplus Supplemental Agreement, and the transactions as contemplated thereunder have been approved by the Independent Shareholders at the EGM;

(b) the declaration and payment of the Pacific Surplus Special Dividend have been approved by the Independent Shareholders at the EGM;

(c) the necessary regulatory approval(s) and/or clearance(s) in relation to the Pacific Surplus Disposal have been obtained by the Company from the competent authorities, including the Stock Exchange for the clearance of the circular in relation to the Pacific Surplus Disposal to be published;

(d) the Fujian Dexi Reorganisation has been completed; and

(e) the representations, warranties, agreements and undertakings set out in the Pacific Surplus Agreement being true, accurate and complete in all material respects and not misleading as of the date of the Pacific Surplus Completion.

Neither the Company or Ms. Chan shall have the right to waive the conditions (a), (b), (c) and (d). As at the date of this announcement, condition (d) has been fulfilled.

The amended conditions precedent for the Epic Wealth Completion

Pursuant to the Epic Wealth Agreements, the Epic Wealth Completion is conditional upon and subject to the fulfilment and/or waiver (where applicable) of the following conditions on or before the Long Stop Date:

(a) the Epic Wealth Agreement, the Epic Wealth Supplemental Agreement, and the transactions as contemplated thereunder have been approved by the Independent Shareholders at the EGM;

(b) the declaration and payment of the Epic Wealth Special Dividend have been approved by the Independent Shareholders at the EGM;

(c) the necessary regulatory approval(s) and/or clearance(s) in relation to the Epic Wealth Disposal have been obtained by the Company from the competent authorities, including the Stock Exchange for the clearance of the circular in relation to the Epic Wealth Disposal to be published;

(d) the Epic Wealth Reorganisation has been completed;

(e) the Fujian Dexi Reorganisation has been completed; and

(f) the representations, warranties, agreements and undertakings set out in the Epic Wealth Agreement being true, accurate and complete in all material respects and not misleading as of the date of the Epic Wealth Completion.

Neither the Company or Ms. Chan shall have the right to waive the conditions (a), (b), (c), (d) and (e). As at the date of this announcement, condition (e) has been fulfilled.

Save as disclosed above, all other material terms and conditions of the Pacific Surplus Agreement and the Epic Wealth Agreement remain unchanged. The Board does not consider there to be material variations to the terms of the Pacific Surplus Agreement and the Epic Wealth Agreement as a result of entering into the Pacific Surplus Supplemental Agreement and the Epic Wealth Supplemental Agreement, respectively.

A circular containing, among others, (i) further particulars of the transactions contemplated under the Pacific Surplus Agreements and the Epic Wealth Agreements; (ii) the distribution and payment of the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend; (iii) financial information of the Pacific Surplus Group and the Epic Wealth Group; (iv) unaudited pro forma financial information of the Group (after the Pacific Surplus Completion standalone, after the Epic Wealth Completion standalone, and after the Pacific Surplus Completion and the Epic Wealth Completion); (v) recommendation of the Independent Board Committee in respect of the transactions contemplated under the Pacific Surplus Agreements and the Epic Wealth Agreements; (vi) a letter of advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Pacific Surplus Agreement and the Epic Wealth Agreement; and (vii) other information as required under the GEM Listing Rules together with a notice convening the EGM, is expected to be despatched to the Shareholders on or before 24 January 2025.

Completion of each of the Pacific Surplus Disposal and the Epic Wealth Disposal is subject to the Independent Shareholders' approval at the EGM and the satisfaction of the conditions precedent under the Pacific Surplus Agreements and the Epic Wealth Agreements, respectively. Therefore, the Pacific Surplus Disposal and the Epic Wealth Disposal may or may not proceed. The Pacific Surplus Disposal and the Epic Wealth Disposal are not inter-conditional and if only one of them is approved, the Company will proceed with the transaction that has been approved.

Furthermore, as each of the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend will be subject to the requisite conditions including (i) the Pacific Surplus Completion and the Epic Wealth Completion, respectively, have taken place; and (ii) the approval of the Independent Shareholders at the EGM, the Pacific Surplus Special Dividend and the Epic Wealth Special Dividend may or may not be declared and paid. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Grace Wine Holdings Limited
Judy Chan
Chairlady, Chief Executive Officer and Executive Director

Hong Kong, 21 January 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.