


TONTINE
TONTINE WINES' NET PROFIT INCREASED BY 19.5% TO RMB 208M IN 2010
RECOMMENDED FINAL DIVIDEND PAYMENT OF HK 3.0 CENTS

* * * *

HIGHER REVENUES FROM OPTIMISED AND DIVERSIFIED PRODUCT MIX
DRIVES STEADY EARNINGS GROWTH
Financial Highlights

<i>(RMB'000)</i>	Year Ended 31 December	
	2010	2009
Revenue	703,514	584,336
Gross Profit	413,871	338,191
Profit and Total Comprehensive Income for the Year	208,125	174,105
Gross Profit Margin	58.8%	57.9%
Net Profit Margin	29.6%	29.8%
Earnings per Share <i>(RMB cents)</i>	11.9	12.7

(Hong Kong, 21 March 2011) – China Tontine Wines Group Limited (“Tontine Wines” or the “Group”, Stock code: 0389), one of the largest sweet grape wine producers in the PRC, today announced its audited annual results for the year ended 31 December 2010 (the “Year”).

During the financial Year, the Group's results hit new records with revenue reaching RMB704 million, representing a healthy increase of 20.4% as compared with that of the preceding financial year. Profit and total comprehensive income for the Year rose by approximately 19.5% to approximately RMB208 million as compared with that of the previous financial year mainly due to expansion of our distribution network, the ongoing enhancement of our brand and product quality that lead to increase in both average selling price and sales volume. The Board recommended the payment of HK 3.0 (RMB 2.55) cents as a final dividend for the year ended 31 December 2010.

Mr. Wang Guangyuan, Chairman and Chief Executive Officer of Tontine Wines, said, “The robust economic growth in the PRC has been progressively accelerating the rate of growth in demand for country's domestic products and strengthening the national spending power. With vigorous business activities, stronger national consumption power and a growing interest in wine appreciation, the China's grape wine market is highly promising and has been flourishing during the Year. We are fortunate to benefit from the gradual shift in China's key economic growth driver from investments to domestic consumption and on the growing awareness of the whole

population in leading a more health conscious lifestyle as wine (in particular, grape wine) is generally perceived as healthier than traditional drinks like Chinese spirits.”

With the view of capturing the current opportunities and satisfying the huge market demand, the Group is actively introducing different types of high-end grape wine products and strengthening its products mix. During 2010, 10 types of new products have been launched in the market, and all were well-received by our customers.

The Group's new production facilities were completed and came into operation in the fourth quarter of 2010, thereby increasing Group's annual production capacity to approximately 39,000 tonnes. The enlarged production capacity will enable us to promptly respond to market demand and expand our market position. Other plans such as developing Tontine Wine Estate and Tontine Wine Cellar are under progress as scheduled.

To further enhance its branding and achieve its marketing objectives, Tontine Wines invited Ms. Jessey Meng, a famous female artiste, to serve as the Group's product promotion ambassador in August 2010. Ms. Meng is a top model from Taiwan and is also an anchor and actress. She projects an image of independence, elegance and taste which has made her a role model for contemporary women. These attributes correspond with the Group's desired brand perception. The popularity and influence of Ms. Jessey Meng should therefore help Tontine Wines to expand into the rapidly growing PRC consumer market.

In addition, Tongtian Hong Ice Wine, scheduled for launch in 2011, was awarded the Gold Award in the “Colombin Cup – The Fourth Yantai International Wine Competition (Domestic Group)” by the Organising Committee of the Yantai International Wine Festival in September 2010. The new product was unanimously deemed as among the best by the domestic and international judging panel, again testifying to the unique, pure quality of the Group's sweet wine products. The success in this competition should enhance the image and international exposure of Tontine Wines, and reinforce its position as the industry's sweet wine leader. Winning the award not only reflects the quality of our new products but also enhances our exposure in the market.

The Group plans to enhance current sales and distribution network throughout the PRC by establishing not less than 20 Tontine retail shops in certain selected markets in the PRC within the next 3 years. At the date of this announcement, retail shops were launched in Shanghai and Chengdu. The Group plans to establish not less than 6 shops (to be located in Beijing, Shenyang, Wuhan, Changsha, Changchun and Luzhou) in 2011. These shops will serve as sales and marketing platform for Tontine brand products, and provide marketing support to the distributors.

Mr. Wang concluded, “Looking forward, the Group believes that China's ongoing rapid economic growth and urbanisation will continue to offer a favourable environment for the grape wine sector as a whole. The Group will continue to expand its sales channels and work towards the objective of establishing a distribution network that covers second- and third-tier cities throughout the country. Meanwhile, the Group will proactively identify merger and acquisition opportunities so as to solidify its business foundation and bring better return to the shareholders of the Group.”

~ End ~

About China Tontine Wines Group Limited

Tontine Wines sells over twenty different wine products in two main categories – sweet wine and dry wine under the “Tongtian” and “Tongtian Hong” labels. The Group has grown quickly since its inception in 2001. It ranked first in the PRC in terms of manufacturing volume of sweet wines in 2008 and 2009 and is also one of the “Top 10 PRC Grape Wine Industry Brands”. The Group gets its grape supply from Tonghua Ji’An region, which is a major mountain grapes producing region in the PRC and one of the few regions worldwide where mountain grapes can be cultivated. Through a sales network comprising over 70 distributors, the Group sells its products in 19 provinces and 3 municipal cities in the PRC. The Group places a lot of emphasis on the quality of its products. It has implemented a strict quality assurance system, and obtained ISO 9001:2000 certification in 2005. In 2006, the Group was also awarded the Geographic Indication Protected Products of the PRC. Under the auspices of the senior management team that are well-experienced in the industry, Tontine Wines is dedicated to achieve the corporate mission of the Group: to become a sweet wine expert in the PRC.

For Enquiries:

Strategic Financial Relations (China) Limited

Ms. Esther Lau	(852) 2864 4845	esther.lau@sprg.com.hk
Ms. Arlene Wong	(852) 2864 4899	arlene.wong@sprg.com.hk
Ms. Sophie Zhang	(852) 2114 4960	sophie.zhang@sprg.com.hk
Ms. Yannis Yip	(852) 2114 4949	yannis.yip@sprg.com.hk
Ms. Candy Chan	(852) 2114 4968	candyyc.chan@sprg.com.hk