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TONTINE

CHINA TONTINE WINES GROUP LIMITED

中國通天酒業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 389)

UPDATE ON POSSIBLE ACQUISITION/INVESTMENT

Reference is made to the announcement of the Company dated 7 November 2011 (the “**Announcement**”) relating to the entering into of the MOU for the possible acquisition of certain equity interest and/or investment in 烟台白洋河酿酒有限公司 (Yantai Baiyanghe Winery Co., Inc.*) (the “**Proposed Transaction**”).

Capitalized terms used in this announcement have the same meanings as ascribed thereto in the Announcement, unless otherwise defined.

The Board wishes to announce that on 24 November 2011, the parties to the MOU entered into a supplemental agreement (the “**Supplemental Agreement**”) to vary, modify and supplement the terms of the MOU. Pursuant to the Supplemental Agreement and in consideration of the counter-parties to the MOU agreeing to co-operate fully and render assistance to the Group in conducting due diligence review on the Target and the preparation of the documentation relating to the Proposed Transaction, and to demonstrate the Group’s sincerity in pursuing the Proposed Transaction, it has been agreed between the parties to the MOU that a refundable sum of RMB20,000,000 (the “**Earnest Money**”) as earnest money will be paid by the Group and held by the Target on or before 2 December 2011 (or such later date as the parties to the MOU may agree).

The Earnest Money will be treated as deposit and part payment of the consideration for the Proposed Transaction under the Formal Agreement if it is entered into by the parties to the MOU. In the event that the Formal Agreement is not concluded within the time stipulated in the MOU or if the Group indicates to the counter-parties to the MOU that it no longer wishes to proceed with the negotiation relating to the Proposed Transaction, the Earnest Money will be refunded by the Target to the Group without interest.

Other than the provisions regarding exclusivity, confidentiality, the governing law and those relating to the treatment of the Earnest Money as disclosed above, the MOU (as varied, modified and supplemented by the Supplemental Agreement) does not have legally binding effect on the parties to the MOU.

The Proposed Transaction is subject to negotiation and execution of the Formal Agreement and may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Tontine Wines Group Limited
Wang Guangyuan
Chairman and Executive Director

Hong Kong, 24 November 2011

As at the date of this announcement, the executive Directors are Mr. Wang Guangyuan, Mr. Zhang Hebin and Ms. Wang Lijuan and the independent non-executive Directors are Mr. Sih Wai Kin, Daniel, Mr. Lai Chi Keung, Albert and Mr. Li Changgao.

* *For identification purpose only*