



Company Overview:

China Fine Wines, LLC. is the owner, producer of the Dragon's Hollow® line of wines; the grape-based, premium wine produced in China capable of international distribution. Currently, the company ownership is between David E. Henderson (90%) and investment group (10%).

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Dragon's Hollow Winery:

Vineyard: Helan Shan Mountain. Range Ning Xia Hui Region, China

Introduction: Since 2006, David Henderson, President and Founder of China Fine Wines, LLC. ("CFW") has been developing a plan to create a market for premium, grape-based wines produced in China. Henderson has been a pioneer of the Chinese import/export business of food and alcohol products since 1981 and is considered to be one of the most successful American businessmen in China's consumables market. Henderson has further been credited with fathering the imported wine market in China as wine was virtually unheard of when David first began importing international wines into China. In 1988 Henderson saw an opportunity to answer the call of many Chinese consumers by creating Montrose Food & Wine (www.montrosechina.com), a leading provider of Western food and wine products for much of Asia. Montrose was the first direct importer of Western wine into China and has gone on to represent most of the major brands around the world through importation, wholesale, distribution and retail shops throughout Asia. After 15 years of building Montrose into a multi-million dollar a year business with seven offices worldwide, David had developed a strong reputation as a premier international supplier of food and wine. In 2007, Henderson appointed a carefully chosen management team to operate and continue to grow his company as he sought to take advantage of a bigger opportunity in the worldwide wine market; to become the first international supplier of grape-based wines from China. His business experience in China, vast international network throughout the world's wine industry and clear vision aligned many of the key points needed to execute on this vision. Henderson chose the perfect location with the right climate for the production of Dragon's Hollow®, the chosen name for his wine label. The Helan Shan Mountain Range in the Ning Xia Hui region of China has the same latitude as California's Napa Valley and is considered by many experts to be a better climate for growing wine than California's famous wine growing region. The 1,600 acre vineyard Henderson chose, yields 100,000 cases per year for CFW but has the potential for increased planting to produce well over 1,000,000 cases annually. Henderson realized that the missing element was a strong management team led by an industry experienced CEO, to lead the development of China Fine Wine into a world class importer with the ability to roll-out the Dragon's Hollow® line internationally.

In 2006, Henderson brought in Bartholomew Broadbent, previously named one of the “fifty most influential people in the wine world...” as an investor, advisor, and the first distributor. Broadbent’s distribution company, Broadbent Selections Inc. (BSI), has been the exclusive importer of Dragon’s Hollow® during CFWs market testing. Broadbent has been profiled by the likes of *Wine Spectator* and *Market Watch* to as far afield as Finland’s *Fine Wine Magazine*. He has become one of America’s most recognizable wine importers (www.broadbent.com). His speaking circuit includes major cruise lines, wine festivals and 25 years as a veteran of The Food & Wine Classic in Aspen. He is also amongst America’s top wine educators. This is critical to China Fine Wine as their production is in an area with very little knowledge of the world wine culture. Broadbent has added tremendous value to the reputation of CFW all over the world and his father, Michael Broadbent MW, has been stronger supported of the endeavor.

Broadbent recruited Ant Mackenzie, the highly awarded winemaker at Spy Valley in New Zealand, to be the consulting winemaker. Mackenzie continues to this day and has visited the winery for the past three vintages during harvest, dramatically helping the team of five permanent local winemakers to produce a wine for the Western palate.

As a wine-producing region, Chinas’ Helan Shan Mountain Range provides a naturally rich climate and ideal growing conditions. CFW has pioneered the movement of producing the country’s first premium vintage, for the purposes of international distribution.

The Business:

China Fine Wines, LLC. is the first and only company in China with a unique selection of premium, grape-based wines produced exclusively for export. Today, CFW’s winemaking experience has given the company the ability to produce many different types of wine including Cabernet Sauvignon, Cabernet Franc, Merlot, Pinot Noir, Syrah, Chardonnay and Riesling. CFW has positioned their first Dragon’s Hollow® product line to address the fastest growing segments of today’s wine market. The Dragon’s Hollow® product line has been priced and will be marketed towards “Millennia’s” the youngest and fastest growing segment of the consumer market. Management believes that CFWs’ early success in implementing their go-to-market strategy and their experience in producing various wines in this relatively unknown region has given them a significant lead over any potential competition.

Dragon’s Hollow® Product Line & Wine Tasting Notes:

Dragon’s Hollow® wines have developed significantly over the past five years, in taste and quality as well as industry recognition. CFW has leveraged its experience, having taken Chinese wines from an unknown product to one that is appreciated and increasingly well regarded by wine critics worldwide. The winery began production in China in 2003 and has since, through CFW, successfully produced and exported four premium vintages.

Below are the tasting notes of Dragon’s Hollow’s® Chardonnay.



Un-Oaked Chardonnay

Color: Clean and crisp light straw with vibrant green hues

Nose/Aroma: Rich green apple and citrus fruit aromas

Palate: Ripe tree fruit flavors with a full body texture. An excellent cool climate structure with a fresh natural acidity on the finish.

Dragon's Hollow® Product Quality:

China Fine Wines has always put a strong emphasis on providing high quality wine, and adhering to the highest of local and international regulations and standards. Management states that the company has met or exceeded today's regulatory standards both in the U.S. and in China. All of CFW's wines have received label approval by The Alcohol and Tobacco Tax and Trade Bureau, an organization of the U.S. Department of Treasury. Dragon's Hollow® wines have also passed the worlds' most rigorous application system of analysis tests, the SAQ in Quebec, Canada, which are routinely performed on all wines, submitted to this Monopoly. The SAQ's most stringent tests frequently result in the rejection of world-class wines for unacceptable levels of substances that are deemed safe and tolerable in the United States. Another very strict entity in submitting wine to analytics is performed by Systembolaget, the Swedish Monopoly, which also approved Dragon's Hollow® wines. Broadbent Selections, Inc. has also submitted Dragon's Hollow® wines for quality control testing and the complete chemical analysis by EST Laboratories in Napa, California. This lab is certified by The Alcohol and Tobacco Tax and Trade Bureau and is contracted by that Government department to perform independent tests on California wines.

Further, CFW's production facility in China and its entire product line has been tested and certified by Master Control Inc, an affiliate of the U.S. Food and Drug Administration. CFW has been 'ISO 9001' certified. By complying with each of these regulatory agencies and standard-setting bodies, they have addressed no potential concerns about the quality of the Dragon's Hollow® product line.

In addition to the certifications and regulations that the Company has achieved, CFW plans to earn an 'organic' certification, both for their wines and production process. Today, there are no 'organic' guidelines in China; however the Company is proceeding with organic analysis testing for international certification. Dragon's Hollow® wine is produced using a very conservative spray program that would be considered close to, if not totally organic and the Company feels that it will be able to achieve the organic certification it desires. Management feels that this is an important goal for the Company as it continues to build its brand recognition and reputation throughout the industry.

Consistency is Critical:

The Dragon's Hollow® portfolio benefits tremendously from its vineyard in the Helan Shan Mountains. The regions' climate is uniquely consistent from year to year eliminating the possibility of certain vintage years being negatively affected by changes in climate conditions. The vineyard is located at the same latitude as California's' famous Napa Valley. Dragon's Hollow® vineyard consistently has low humidity, strong westerly breeze, and intense sunshine and yields a high natural sugar and fruit concentration in their grapes. The steady climate conditions allow CFWs' winemakers to impose their skills more effectively, having a bigger impact on the wines outcome of color, bouquet and taste. This has been essential for CFWs' winemakers and production team to understanding the new regions' yields and to build upon quality each year.

History of Dragon's Hollow® Vineyard in China's Helan Shan Mountain Range:

The area in which Dragon's Hollow is located, the Helan Shan region, was identified years ago by David Henderson and Jess Jackson, of the Kendall-Jackson fame, as an area rich in viticulture promise. Despite the potential of these vineyards, Kendall-Jackson soon determined this remote location in China was too difficult for Jackson as their group had no experience working in the Chinese climate or business culture and had no operations in the region.

CFW brought their production skills and cultural experience to the Helan Shan region for the first time in 2003 and quickly validated Jacksons' conclusion about the potential of China and the region in particular. The lack of history in developing wines in this area works to the advantage for CFW as each year they build upon the previous vintage by adjusting to the climate and the region to produce a finer wine. This

education and experience is proprietary to China Fine Wine and will prove to be a catalyst for their long-term competitive advantage.

To further validate CFW's choice of vineyard, Orlando Brands, the owner of many of the world's most successful wine brands including Jacobs Creek®, recently purchased a vineyard directly adjacent to CFW's Helan Shan Mountain Range in the Ning Xia Hui region of China. They purchased this land in order to begin producing Chinese wines and to eventually take advantage of the immense opportunity in the domestic market for Chinese wines in Asia, which is projected to grow 38% to 68.4 million cases over the next two years. They chose the land for its favorable climate conditions including, among others, its pure, extensive source of water, constant winds and low humidity.

As mentioned earlier, Henderson chose the Helan Shan Mountain Range for the production of CFWs' Dragon's Hollow® wines for a number of reasons. The area is rich in natural resources and highly cost efficient for labor-intensive production. In addition, Henderson knew that his production specialists would be internationally recognized as the first to master winemaking using the areas' natural resources. Below is a detailed description of the vineyard and statistics of its yields:

Country: China

Region: Ning Xia Hui

Area: Helan Shan Mountains

Appellation: Helan Mountain = 330,000 acres

Dragon's Hollow Vineyard: 1,600 acres

Natural Yields:

- 100,000 cases (9-liter)
- 30% Cabernet Sauvignon
- 30% Chardonnay
- 15% Riesling
- 10% Cabernet Franc
- 10% Merlot
- 2.5% Pinot Noir
- 2.5% Syrah

Notes on Helan Mountain Vineyard and its Geography:

- First Chinese Winery to produce and export a high quality grape wine.
- Vines planted in early 1990s and operations started in 2003.
- Wines are produced from one of the largest quality vineyard in Ning Xia China.
- Located at latitude 38.46 (Napa, CA 38.41)

- Experts from China and abroad have found conditions to be better than Bordeaux.
- Geography and soil equal to that of Bordeaux and Napa but lower humidity, strong westerly winds, better intense sunshine and yield high natural sugar and fruit concentration.
- China awarded “Protected Original Producing Area” (Appellation Controlee) in 2003 (Inspection and Quarantine)

DRAGON'S HOLLOW®
傲龍雲谷

THE FIRST PREMIUM WINES PRODUCED IN CHINA

Dragon's Hollow Vineyard
MONGOLIA
Located 625 Miles Southwest of Beijing
in Ning Xia China on the same
latitude as Napa Valley

HAERBING
BEIJING
TIANJIN
N. KOREA
S. KOREA
QINGDAO
SHANGHAI
LHASA
CHENGDU

Dragon's Hollow
Served in the finest
restaurants & hotels
in the world.

NEPAL
INDIA