

[For immediate release]



**DYNASTY ANNOUNCES SHARE OFFER ALLOTMENT RESULTS**

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**STRONG INTEREST IN IPO**

**PUBLIC OFFER 625 TIMES SUBSCRIBED**

**INTERNATIONAL PLACING SIGNIFICANTLY OVER-SUBSCRIBED**

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**PRICE FIXED AT HK\$2.25 PER SHARE**

(Hong Kong, 24 January 2005) – Dynasty Fine Wines Group Limited, one of the top three grape wine producers in China (“Dynasty” or “the Group”) (Stock Code: 828) today announced its placing and public offer results.

The public offer of 30 million shares initially available were approximately 625 times subscribed and the international placing of 234 million shares initially available received extraordinary response from investors and were significantly over-subscribed. 8,358,009 reserved shares out of the 36 million shares of reserved shares initially available to qualifying Tianjin Development shareholders for subscription under the preferential offering were received. 27,641,991 unsubscribed reserved shares have been reallocated to the international placing. The share price is fixed at the top of the price range of HK\$2.25 per share.

The overwhelming demand under the public offer triggered the clawback mechanism. The international placing of 120 million shares will be reallocated to the public offer. As a result of such reallocation, there are 150 million shares available for subscription under the public offer and the total number of offer shares available under the international placing will be adjusted to 141,641,991 shares, representing approximately 47.2% of the total number of offer shares available under the share offer.

The Group has granted to the global coordinator the over-allotment option exercisable within 30 days of the last day for lodging of applicants under the Hong Kong public offering, to require the Group to issue up to an aggregate of 45,000,000 additional shares, representing 15% of the total issue size.

Mr. He Xiuheng, Chairman of Dynasty, said, “I am gratified to see the overwhelming response of investors to our share offer, and I would like to take this opportunity to express my gratitude towards their support and confidence in Dynasty. This also shows that investors are positive about the grape wine market in China. Looking to the future, Dynasty will expand

its production capacity, enhance product quality, increase product range and explore more potential market by keeping pace with market demand. We will step up marketing our 'Dynasty' brand and strive to be the best grape wine manufacturer in China. We have every confidence in our ability to obtain the best returns for our shareholders in the future.

After deducting the listing expense, the net proceeds raised by the Group will amount to approximately HK\$623 million. The Group will use approximately HK\$200 million of the net proceeds for expanding production capability including building new wine cellars, purchasing brewing machinery and land, and construction of facilities; approximately HK\$160 million for setting up new production facilities; approximately HK\$47 million for acquiring interest in Tianyang, a grape juice supplier, through the Smiling East Acquisition; approximately HK\$20 million for expanding the Group's sales and distribution network and activities. The remaining approximately HK\$196 million will be applied for possible acquisition and general working capital."

Deloitte & Touche Corporate Finance Limited is the sponsor of the listing; ABN AMRO Rothschild is the global coordinator, bookrunner and lead manager. Dynasty's shares will commence dealings on the Main Board of The Stock Exchange of Hong Kong Limited on 26 January 2005 (Wednesday) under the stock code of 828. Dynasty is the first company newly listed on the Main Board in 2005.

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#### **About Dynasty Fine Wines Group Limited**

Founded in 1980, Dynasty is one of the leading grape wine producers in China. It is principally engaged in the production and sale of grape wine products under its reputable brand, "Dynasty". Dynasty was the first Sino-foreign joint-venture wine company in China with Tianjin Development Holdings Limited (Stock Code: 882) and Remy Cointreau as its major shareholders. The Group offers over 50 grape wine products in the categories of red wines, white wines, sparkling wines and brandy. Dynasty provides customers in all consumer strata with high quality and "excellent value for money" products. In 2000, Dynasty was recognized as a Well-known Trademark for grape wine products in China by the Trade Mark Office of the State Administration of Industry and Commerce of China. Between 1997 and 2003, Dynasty was granted six times the Certificate of Best Selling Grape Wines in China by the China Industry and Enterprise Information Centre.

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