

[For immediate release]



**DYNASTY ANNOUNCES 2004 ANNUAL RESULTS
NET PROFIT SOARS 41.4% TO RMB176 MILLION**

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**ACTIVELY EXPANDS PRODUCTION CAPACITY
STRENGTHENS BRAND PROMOTION
CAPTURES ENORMOUS BUSINESS OPPORTUNITIES IN CHINA WINE MARKET**

Financial Highlights

	Year ended 31 December		Changes
	2004	2003	
	<i>RMB '000</i>	<i>RMB '000</i>	
Turnover	852,907	708,571	↑20.4%
Gross Profit	452,546	360,904	↑25.4%
Profit Attributable to Shareholders	175,913	124,393	↑41.4%
Basis Earnings Per Share (RMB)	0.2	0.14	↑42.8%
Gross Profit Margin	53.1%	50.9%	
Net Profit Margin	20.6%	17.6%	

(Hong Kong, 21 April 2005) – Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), one of the best selling grape wine producers in China, today announced its audited annual results for the year ended 31 December 2004.

The Group recorded a growth of 20.4% over last year in turnover to RMB853 million. Net profit margin and gross profit margin were 53.1% and 20.6% respectively. Profit attributable to shareholders in 2004 was RMB 176 million, representing a 41.4% surge over that of 2003. Basic earnings per share rose a substantial 42.8% to RMB0.2.

The Group’s encouraging results were attributable to the growth in sales volume and gross profit margin, as well as efforts to maintain distribution cost and general and administrative expense at a stable and reasonable level. The Board of Directors does not recommend the payment of final dividend for the year. This is in line with the strategy of the Group to reserve funds for business development for the said year as set out in its prospectus.

Mr. He Xiuheng, Chairman of Dynasty, said, “The successful listing of Dynasty in Hong Kong was an important milestone for the Group. The listing not only provided the Group an international platform to raise capital to fund the Group’s development, but has also helped us strengthen the leading position of Dynasty in the Chinese wine market and heighten international recognition of the brand.”

During the year, the Group achieved strong growth in sales volume, from 32.7 million bottles in 2003 to 38.9 million bottles as at the end of 2004. The average ex-factory sales price of the products stayed stable during the year. The average ex-factory sales price of red wine and white wine was approximately RMB22.1 per bottle. Red wine remained as the main source of the Group’s income, contributing 93.9% of the Group’s gross turnover in 2004, while in 2003, its contribution was 90.3%. Dynasty Red Wine – the Group’s best selling product, also accounted a larger share of the Group’s gross turnover, growing from 50.1% in 2003 to 50.3% in 2004.

In 2004, Dynasty was once again granted the Certificate of Best Selling Grape Wines in China by the China Industry and Enterprise Information Centre, making the Group win the award for seven of the eight years between 1997 and 2004.

Mr. He continued, “As the Chinese economy continues to grow and people in the country gain consuming power, grape wines are appreciated by more and that drives the demand for premium wines. Thus, the Group’s premium high-end wines, including Dry red wine aged in oak barrels, 7-year reserve red and white wines, recorded encouraging growth in sales last year.”

Last year, the Group retained its position as the provider of the best selling wines in Shanghai, Jiangsu and Zhejiang provinces. In the future, with the aim of increasing the market share of Dynasty in the Chinese wine market, the Group will strengthen its business development in other strategic areas including northeastern and northwestern China.

Dynasty was listed on the Main Board of the Stock Exchange of Hong Kong on 26 January 2005, raising HKD776 million in gross proceeds. Of the amount, approximately HKD200 million will be used to expand the Group’s production capacity, increasing it from the current 30,000 tons to 50,000 tons by 2006. In February, the Group also acquired 60% interests of Tianjin Tianyang Grape Extracting Company Limited, a grape juice producer, at HKD47 million. The acquisition allows the Group to ensure the stable supply of grape juice, helping to optimize the business structure of Dynasty.

“The Chinese wine market has tremendous development potential. Its sales volume grew 13.5% in 2003 but accounted for only approximately 1% share of the overall alcoholic drinks market which sales volume grew at 4.9%. Capitalizing on its high brand reputation and

product recognition, its extensive distribution network, experienced management and the strong support from its shareholders – Tianjin Development and Remy Cointreau, Dynasty will fully seize business opportunities in the burgeoning China wine market, complete the expansion of its production capacity as soon as possible, step up promotion of its brand name and market penetration, and at the same time seek suitable merger and acquisition opportunities. These moves will enable us to boost Dynasty’s growth and bring greater returns to our shareholders.” Mr. He concluded.

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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 is 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. From 1997 to 2004, Dynasty was granted seven times the Certificate of Best Selling Grape Wines in China by the China Industry and Enterprise Information Centre. Dynasty was listed on the Main Board of the Stock Exchange of Hong Kong on 26 January 2005.

For press enquiries:

Strategic Financial Relations (China) Limited

Ms Anita Cheung	Tel: 2864 4827	Email: anita@strategic.com.hk
Ms Jasper Chan	Tel: 2864 4830	Email: jasper@strategic.com.hk
Mr Andy Chan	Tel: 2864 4854	Email: andy@strategic.com.hk

Fax: 2517 1271 / 2804 2789