

[For immediate release]



DYNASTY ANNOUNCES 2005 INTERIM RESULTS
NET PROFIT ROSE 15.5% TO HKD117 MILLION

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

Financial Highlights

	6 months ended 30 June		
	2005	2004	Change
	HKD '000	HKD '000	
Turnover	511,610	445,379	↑14.9%
Gross Profit	263,520	243,386	↑8.3%
Profit Attributable to equity holders of the company	116,936	101,218	↑15.5%
Basis Earnings Per Share (HK cents)	9.8	11.2	↓12.5%
Gross Profit Margin	51.5%	54.6%	↓3.1%
Net Profit Margin	22.9%	22.7%	↑0.2%
Dividend (HK cents)	3.7	-	-

(Hong Kong, 13 September 2005) – Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), one of the best selling grape wines producers in China, today announced its unaudited interim results for the 6 months ended 30 June 2005.

In the first half of 2005, the Group’s turnover grew 14.9% over the same period last year to HKD512 million. Gross profit margin and net profit margin were 51.5% and 22.9% respectively. Profit attributable to equity holders of the company was HKD117 million, representing a 15.5% increase over the last corresponding period. Basic earnings per share was HK9.8 cents.

The Group’s encouraging results were attributable to the persistent growth in sales volume and the relatively stable distribution costs and general and administrative expenses.

13/9/2005

Positive about the overall outlook of the Group's business, the Board of Directors recommended the payment of an interim dividend of HK3.7 cents per share.

Mr. He Xiuheng, Chairman and Executive Director of Dynasty, said, "We are delighted that Dynasty achieved such outstanding performance while facing intense competition in the mainland grape wine market and rising cost of raw materials. The successful listing of Dynasty in Hong Kong in January this year has greatly speeded up our business development and further strengthen Dynasty's leading position in China's grape wine market."

During the period, the Group's sales increased to 24.9 million bottles from 20.8 million bottles in the same period last year, a 19.7% increase. Average ex-factory sales prices of products during the period remained stable as compared to that of the year 2004. Red wine remained as the main source of the Group's income, its contribution to the Group's turnover increased from 94.2% in the same period in 2004, to 95.1% in the review period. Accounting for 49.6% of the Group's turnover, Dynasty Red Wine remains as the Group's best selling product.

The Group sold its products in all provinces and autonomous regions and four municipalities in China , and sales in Huadong region continued to contribute the biggest share of income to the Group. The Group is dedicated to increase wine sales in coastal areas including Guangdong and Fujian, and also Hunan and Hubei regions, and to step up marketing and promotion efforts in other existing markets to increase its market shares.

In February, the Group 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. To match its increasing production capacity, the Group has successfully enlisted new mainland grape juice suppliers, and secured a greater supply from existing grape juice suppliers.

Dynasty was listed in Hong Kong early this year, raising HKD776 million in gross proceeds. Of the amount, approximately HKD200 million will be used to expand the Group's production capacity. The expansion project progressed as planned during the review period, and part of it has started generating return. Production volume is expected to reach 35,000 tons in the second half of this year. When the entire project is completed around mid-2006, production capacity will be increased to 50,000 tons. In addition, the Group had identified a site in Tianjin, suitable for construction of new production facilities, which will further increase its production capacity to 70,000 tons. The facilities are expected to be completed by the end of 2008. The Group will embark its expansion plan at full steam, striving to complete it as soon as possible.

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On 5th September 2005, Dynasty became one of the constituent stocks of the Hang Seng China-Affiliated Corporations Index (HSCCI). This not only testifies to the success of the Group's efforts in growing its business, but also serves as an award for the remarkable performance it has achieved.

Mr. He concluded, "As a leading grape wine producer in China, we will adhere to our proven business strategies, increase sales of high end products, strengthen marketing and promotion efforts, rigorously control cost and expenses, and at the same time seek suitable acquisition targets to perfect our corporate structure. Dynasty will strive to seize the immense potential of China's grape wine market to bring higher returns to our shareholders, and build the most prosperous Dynasty."

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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 "Dynasty" brand. 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. Between 1997 and 2004, Dynasty was granted seven times the Certificate of Best Selling Grape Wines in China by the China Industry and Enterprise Information Centre. In 2005, Dynasty also earned the grade A Chinese grape wine label. The Group was listed on the Main Board of the Stock Exchange of Hong Kong on 26 January 2005, and was added to the Hang Seng China-Affiliated Corporations Index on 5 September 2005.

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Dynasty Fine Wines Group Limited
Condensed Consolidated Income Statement

Unaudited
6 months ended 30 June

	2005 HKD '000	2004 HKD '000
Turnover	511,610	445,379
Cost of sales	(248,090)	(201,993)
Gross profit	263,520	243,386
Other revenue	7,738	2,353
Distribution costs	(81,369)	(84,058)
General and administrative expenses	(29,415)	(21,009)
Operating profit	160,474	140,672
Finance costs	(369)	(359)
Profit before taxation	160,105	140,313
Taxation	(42,578)	(38,784)
Profit after tax for the period	117,527	101,529
Attributable to:		
Equity holders of the Company	116,936	101,218
Minority interest	591	311
	117,527	101,529
Dividends (HK cents)	3.7	N/A
Basic earnings per share (HK cents)	9.8	11.2