

[For immediate release]



**DYNASTY ANNOUNCES 2005 ANNUAL RESULTS**  
**TURNOVER INCREASES 17.8% TO HKD947 MILLION**

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**STRENGTHENS MARKETING AND SALES EFFORTS**  
**TAPS INTO THE HONG KONG MARKET**  
**EXPANDS COMPANY CAPITAL FOUNDATION THROUGH MERGERS AND ACQUISITIONS**

**Financial Highlights**

	For the year ended 31 December		
	2005	2004	Change
	<i>HKD '000</i>	<i>HKD '000</i>	
Turnover	947,489	804,629	↑17.8%
Gross profit	490,567	426,930	↑14.9%
Profit attributable to equity holders	178,991	165,955	↑7.9%
Gross profit margin	51.8%	53.1%	↓1.3%
Net profit margin	18.9%	20.6%	↓1.7%
Final dividend per share (HK cents)	2	N/A	

(Hong Kong, 20 April 2006) – 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 2005 annual results.

For the year ended 31 December 2005, the Group’s turnover amounted to HKD947 million, an increase of 17.8% over 2004, a reflection of the successful sales and marketing efforts by Dynasty and the overall growth of the grape wine market in China. Profit attributable to shareholders reached HKD179 million, representing an increase of 7.9%. The Board of Directors recommended the payment of a final dividend of HK2 cents per share for the year ended 31 December 2005.

Although the purchase cost for grape juice along with distribution costs as well as general and administrative expenses increased in 2005, the Group’s turnover and net profit both recorded encouraging growth due to stringent cost control measures and greater economies of scale.

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Mr. Bai Zhisheng, Chairman, General Manager and Executive Director of Dynasty, said, “I am pleased that the Group has achieved satisfactory results after its listing on The Stock Exchange of Hong Kong in January of last year. China’s wine market has presented the industry with enormous opportunities for growth as well as mergers and acquisitions, which will not only allow the Group to strengthen the foundation of its wine businesses, but will also steer the entire industry to a healthy and stable development path.”

The Group’s sales rose to 45.5 million bottles in 2005 from 38.9 million bottles, a 17% increase year-on-year. Average ex-factory sales prices per bottle (750 ml) during the period remained stable as compared with 2004. Red wine products remained as the Group’s primary revenue source, accounting for 95.0% of turnover. In particular, Dynasty Dry Red was the Group’s best seller, accounting for 49.1% of turnover.

The Group sells its products in all of the provinces, autonomous regions as well as municipalities across China while the Huadong region, comprising of Shanghai, Zhejiang and Jiangsu provinces remains as the Group’s primary market. The Group is dedicated to increasing market share in other coastal provinces and areas like Guangdong, Jiangxi, Hunan and Hubei by stepping up marketing and promotion efforts.

With an aim to introduce Dynasty fine wines to the international market, in late 2005, the Group soft launched 4 types of red wine and 2 types of white wine particularly for the Hong Kong market and received encouraging response. These products were fully introduced and available for sale in major supermarket retail networks and restaurants in April 2006.

Dynasty currently has 10 major grape juice suppliers, mainly located in Tianjin, Shandong, Hebei and Ningxia, with whom the Group has maintained good and stable relationship. Through acquisitions and seeking new suppliers, the Group ensures a stable supply of grape juice, helping to optimize the business structure of Dynasty and match its increasing production capacity.

The Group’s expansion drive continues in earnest and as of 2005, its actual production reached 35,000 tonnes. Production capacity is projected to reach 50,000 tonnes by mid-2006, and will further rise to 70,000 tonnes by the end of 2008.

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Mr. Bai concluded, “We are confident that with our proven business strategies and strong support from shareholders - Tianjin Development and Remy Cointreau, Dynasty will be able to seize upon the immense opportunities afforded by China’s burgeoning wine market to maximize business growth. Similarly, by capitalizing on the Group’s expertise in winemaking, comprehensive product mix, strong brand equity and extensive distribution network, we continue to enhance our core competitiveness. Never complacent, the Group will further explore opportunities to acquire complementary wine businesses so as to increase profitability, thus bringing greater returns for our shareholders.”

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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.

**For press enquiries:**

**Strategic Financial Relations (China) Limited**

Ms Esther Lau	Tel: 2864 4845	Email: <a href="mailto:estherlau@strategic.com.hk">estherlau@strategic.com.hk</a>
Ms Anna Luk	Tel: 2864 4877	Email: <a href="mailto:annaluk@strategic.com.hk">annaluk@strategic.com.hk</a>
Ms Amy Cheuk	Tel: 2864 4893	Email: <a href="mailto:amy.cheuk@strategic.com.hk">amy.cheuk@strategic.com.hk</a>

**Dynasty Fine Wines Group Limited**  
**Consolidated Income Statement**

**For the year ended 31 December**

	<b>2005</b> <b>HKD ' 000</b>	<b>2004</b> <b>HKD ' 000</b>
Turnover	947,489	804,629
Cost of sales	(456,922)	(377,699)
Gross profit	490,567	426,930
Other revenue	19,368	4,800
Distribution costs	(221,515)	(169,210)
General and administrative expenses	(59,062)	(38,148)
Operating profit	229,358	224,372
Finance costs	(346)	(708)
Profit before income tax	229,012	223,664
Income tax expense	(47,604)	(57,187)
Profit for the year	181,408	166,477
Attributable to:		
Equity holders of the Company	178,991	165,955
Minority interest	2,417	522
	181,408	166,477
Final dividends per share (HK cents)	2	N/A
Basic earnings per share (HK cents)	14.7	18.4