

[For immediate release]



**DYNASTY 2008 INTERIM PROFIT
INCREASES 20% TO HK\$120 MILLION**

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GROSS PROFIT INCREASES AT EFFECTIVE COST CONTROL

Financial Highlights (unaudited)

	6 months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Turnover	725,247	662,324
Gross profit	387,270	337,426
Profit attributable to equity holders	120,067	100,048
Basic earnings per share (HK cents)	9.6	8.0
Gross profit margin	53.4%	50.9%
Net profit margin	16.6%	15.1%
Dividend per share (HK cents)	3.5	3.6

(Hong Kong, 10 September 2008) – Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), a leading grape wine producer, today announced its unaudited interim results for the six months ended 30 June 2008.

In the first half of 2008, the Group made turnover of HK\$725 million, an increase of 10% against HK\$662 million in the same period last year. Gross profit margin and net profit margin were 53.4% and 16.6% respectively. Profit attributable to equity holders grew by 20% to HK\$120 million. Basic earnings per share were 9.6 HK cents (2007: 8 HK cents).

The earnings growth achieved during the first half of 2008 was primarily attributable to stable sales volume and an increase in gross profit margin. Heeding the strong financial position and generally positive business outlook of the Group, the Board of Directors resolved to pay an interim dividend of 3.5 HK cents (2007: 3.6 HK cents) per share.

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Mr. Bai Zhisheng, Chairman and Executive Director of Dynasty, said, “In the first half of 2008, the Group devoted much efforts into implementing branding and marketing strategies and controlling costs. I am pleased to report that we achieved encouraging results. Our profit recorded satisfactory increase, despite the fierce competition Dynasty faced during the period.”

The Group sold 29.6 million bottles of wines during the period, slightly more than the same period last year. The relatively slight increase was because of keen competition in the market and short-term poor consumption sentiment after the Sichuan earthquakes and flooding in Southern China in the second quarter of 2008.

The average ex-winery sales price of wine products during the period was slightly higher than that of last year’s HK\$23 per bottle, as a result of increase in average ex-factory sales price of certain selected grape wine products in the second quarter of 2008. Red wine products remained as the primary revenue source of the Group, accounting for 89.6% of its total turnover. Dynasty Dry Red continued to be the bestseller, accounting for 36.1% of the Group’s turnover.

The Group continued to reinforce and expand its nationwide distribution network and sold its products in all provinces, autonomous regions as well as municipalities across China. Huadong region, comprising Shanghai city, Zhejiang and Jiangsu provinces, continued to be the Group’s primary markets. As the Group continued to step up marketing and promotion efforts in other areas, sales of products in other domestic markets, such as Tianjin city, Fujian and Hubei provinces also grew.

The Group produces a diverse range of over 50 products under the “Dynasty” brand for different consumer segments especially the mid to high end segments in the PRC grape wine market. Sales of premium wine products, such as Dynasty Dry Red Wine – Aged in Oak Barrels, Dynasty Dry Red Wine - Reserve and Dynasty Premium Dry Red Wine – Aged in Oak Barrels recorded encouraging growth.

To ensure it can promptly respond to demand in the booming market and also to consolidate leadership, the Group forged on with its expansion plan as scheduled. By the end of 2008, its production capacity will reach 70,000 tonnes (equivalent to approximately 93.3 million bottles). In addition to working with grape farmers to enlarge their vineyards for better economies of scale and help them adopt state-of-the-art techniques to improve quality, the Group has also kept identifying new suppliers who can meet its quality requirements, to ensure sufficient supply of quality grapes or grape juice.

10/9/2008

Mr. Bai concluded, “Looking ahead, the wine industry in the PRC is expected to grow strongly in the years to come driven by increasing per capita disposable income and improving living standards in the country. The Group will strive to capitalize on the tremendous opportunities arising in the rapidly growing economy and maintain the leadership of its wine products in the market, while sustaining steady growth of its results and continuing to bring higher returns to 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. Dynasty wines made the list of Best Selling Grape Wines in China published by the China Industry and Enterprise Information Centre ten times between 1997 and 2007. 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.

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10/9/2008

Dynasty Fine Wines Group Limited Consolidated Income Statement

	Unaudited	
	6 months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Turnover	725,247	662,324
Cost of sales	(337,977)	(324,898)
Gross profit	387,270	337,426
Other gains	17,217	19,802
Distribution costs	(194,120)	(168,274)
General and administrative expenses	(44,390)	(48,884)
Operating profit	165,977	140,070
Share of profit of an associate	37	3
Profit before income tax	166,014	140,073
Income tax expense	(45,118)	(39,740)
Profit for the period	120,896	100,333
Attributable to:		
Equity holders of the Company	120,067	100,048
Minority interests	829	285
	120,896	100,333
Dividends (HK cents)	3.5	3.6
Basic earnings per share (HK cents)	9.6	8.0