

[For immediate release]

**DYNASTY ANNOUNCES 2009 INTERIM RESULTS**

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**EXPLORES NEW SALES CHANNELS
CAPITALIZES ON OPPORTUNITIES ARISING IN ECONOMY RECOVERY**

(Hong Kong, 26 August 2009) – Dynasty Fine Wines Group Limited (“Dynasty” or “the Group”) (Stock Code: 828), a leading grape wine producer in China, today announced its unaudited interim results for the six months ended 30 June 2009.

In the first half of 2009, the Group’s revenue decreased by 5% to HK\$687 million. Gross profit margin and net profit margin were 50% and 14% respectively. Profit attributable to equity holders dropped by 19% to HK\$96.8 million. Basic earnings per share were 7.8 HK cents. As at 30 June 2009, the Group’s cash and cash equivalents, and fixed deposits amounted to approximately HK\$930 million and there was no long-term debts.

The Group is in a strong financial position, and has a solid equity base. Being generally positive about its business outlook, the Board of Directors resolved to pay an interim dividend of 2.8 HK cents per share.

Mr. Bai Zhisheng, Chairman and Executive Director of Dynasty, said, “In the first half of 2009, the Chinese economy suffered because of the global financial crisis and consumption sentiment was affected. The Group strived to control cost and executed branding and marketing strategies, which allowed it to minimize the impact of the economic downturn on its business. We believe the worst time is behind us and are confident of the economic growth and market environment in China in the second half of 2009. In fact, sales of Dynasty wines had grown notably in the second quarter. With the Chinese government pursuing different initiatives to stimulate domestic consumption, China is going to advance on the path of recover in the second half year.”

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The Group sold 27.3 million bottles of wines during the period, representing a decrease of 7.8% as compared with the same period last year. The average ex-winery sales price of wine products was slightly higher than that of last year's HK\$24.7 per bottle, as a result of increase in average ex-factory sales price of certain selected grape wine products in April 2008. Red wine products remained as the primary revenue source of the Group, accounting for 83% of its total revenue. Dynasty Dry Red continued to be the bestseller, accounting for 27% of the Group's revenue.

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, remained to be the Group's primary markets. As the Group committed to stepping up marketing and promotion efforts, sales of products in other domestic markets, such as Beijing and Tianjin cities, Hunan and Fujian provinces also grew. To explore new sales channels and develop new customer base, the Group forged partnership with financial institutions in the PRC to produce and sell two premium red wine products to their customers. This new business model is expected to bring profit to the Group in future.

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, Dynasty Premium Dry Red Wine – Aged in Oak Barrels and Dynasty 5-star Icewine Reserve recorded satisfactory growth. Furthermore, the Group has forged cooperation with a grape wine producer, ranked among top 8 worldwide, to import some of its premium wines and sell them to customers preferring the taste of foreign wines. The move is to bring in new revenue driver and reach win-win situation. The diversified product mix of the Group targeting different niche markets is going to boost revenue of the Group.

With the annual utilization rate of its production capacity close to 100%, the Group will work on expanding production scale, which will allow it to meet growing market demand and fortify market leadership. By the fourth quarter of 2009, the production capacity is expected to 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 to ensure sufficient supply of quality grapes or grape juice.

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Mr. Bai concluded, “Looking ahead, operating in the China market with tremendous potential consumption power, we have full confidence in Dynasty’s business growth. We will continue to explore and develop new sales channels, enlarge our market share and strengthen our sales network in second tier cities, and also stringently control cost so as to improve profitability and deliver satisfactory results to reward shareholders for their support.”

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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 five main categories of red wines, white wines, sparkling wines, brandy and icewine. 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 eleven times between 1997 and 2008. The Group was listed on the Main Board of the Stock Exchange of Hong Kong on 26 January 2005.

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Dynasty Fine Wines Group Limited

Condensed Consolidated Income Statement

	Unaudited	
	6 months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Revenue	687,400	725,247
Cost of sales	(345,044)	(337,977)
Gross profit	342,356	387,270
Other income	15,565	17,217
Distribution costs	(185,696)	(194,120)
Administrative expenses	(40,586)	(44,390)
Operating profit	131,639	165,977
Share of (loss)/profit of an associate	(250)	37
Profit before income tax	131,389	166,014
Income tax expense	(33,931)	(45,118)
Profit for the period	97,458	120,896
Attributable to:		
Equity holders of the Company	96,796	120,067
Minority interests	662	829
	97,458	120,896
Dividends (HK cents)	2.8	3.5
Basic earnings per share (HK cents)	7.8	9.6