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KINGWAY BREWERY HOLDINGS LIMITED

金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 124)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the Company's 2008 Interim Results will record a loss.

The information contained in this announcement is only a preliminary estimate prepared by the management of the Company and is not based on any figures or information audited or reviewed by the Company's auditors. As the six months period covered by the 2008 Interim Results has not ended, the Company's 2008 Interim Results are not available.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Kingway Brewery Holdings Limited (the "**Company**", together with its subsidiaries shall be referred to as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that it is the Company's management's current estimate that the Company's unaudited consolidated results for the six months ending 30 June 2008 ("**2008 Interim Results**") will record a loss, whilst the Company's unaudited consolidated interim results for the six months ended 30 June 2007 recorded a profit and the Company's audited consolidated results for the year ended 31 December 2007 recorded a loss.

Based on the analysis of the information available, the deterioration in the Group's results was due to a number of factors including (i) a decrease in the Group's sales; (ii) an increase in production costs due to the increase of material prices and unit fixed costs; and (iii) to a lesser extent, an increase in administrative expenses as a result of the Group's expanded operating scale with the commencement of operation of the Xian, Chengdu and Foshan brewery plants in February 2007, April 2007 and January 2008 respectively.

As the six months period covered by the 2008 Interim Results has not ended and the Company's 2008 Interim Results are not available, the information contained in this announcement is only a preliminary estimate prepared by the management of the Company for such period and is not based on any figures or information audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Kingway Brewery Holdings Limited
Ye Xuquan
Chairman

Hong Kong, 16 June 2008

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. YE Xuquan, Mr. JIANG Guoqiang and Ms. LIANG Jianqin; seven Non-executive Directors, namely Mr. KOH Poh Tiong (Note 1), Mr. Sijbe HIEMSTRA (Note 2), Mr. Anthony CHEONG Fook Seng (Note 3), Mr. ZHAO Leili, Mr. LUO Fanyu, Mr. Michael WU and Mrs. Theresa HO LAM Lai Ping; and three Independent Non-executive Directors, namely Mr. Alan Howard SMITH, Mr. V-nee YEH and Mr. Felix FONG Wo.

Notes:

1. Mr. KOH Poh Tiong has appointed Mr. HUANG Hong Peng as his alternate director.
2. Mr. Sijbe HIEMSTRA has appointed Mr. Kenneth CHOO Tay Sian as his alternate director.
3. Mr. Anthony CHEONG Fook Seng has appointed Mr. LEE Meng Tat as his alternate director.

** For identification purpose only*