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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 the Group is expected to record a further loss (on a consolidated basis) in the second half of 2008 (after recording a loss in the first half of 2008), which would result in an increase in loss after tax for the year ended 31 December 2008, as compared with that for the 2007 financial year.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company's auditors.

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**").

As stated in the Company's interim results announcement dated 4 September 2008, the Group recorded an unaudited consolidated loss after tax of approximately HK\$24.7 million for the six months ended 30 June 2008 (whilst the Group recorded an audited consolidated loss after tax of approximately HK\$23.6 million for the year ended 31 December 2007). The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company's preliminary review of the consolidated management accounts of the Group, which have not yet been audited by the Company's auditors, the Group is expected to record a further loss (on a consolidated basis) in the second half of 2008, which would result in an increase in loss after tax for the year ended 31 December 2008, as compared with that for the 2007 financial year.

Based on an analysis of the information available, the deterioration in the Group's results for 2008 (compared with 2007) was due to a number of factors including (i) a decrease in the Group's sales; (ii) an increase in production costs due to an increase in material prices and unit fixed costs; and (iii) to a lesser extent, an increase in finance costs due to the absence of capitalized loan interest expenses and an increase in administrative expenses as a result of the full year operation of the brewery plants in Xian and Chengdu and the commencement of operation of the brewery plant in Foshan in 2008.

The Company is in the process of finalizing the Group's audited results for the year ended 31 December 2008. The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company's auditors. The audited results of the Group for the year ended 31 December 2008 will be announced as soon as practicable and the related 2008 Annual Report will be published thereafter.

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
LI Wenyue
Chairman

Hong Kong, 19 January 2009

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. LI Wenyue, Mr. HUANG Xiaofeng, Mr. LUO Fanyu, Mr. Michael WU, Mr. KOH Poh Tiong (*Note 1*), Mr. Sijbe HIEMSTRA (*Note 2*) and Mr. Roland PIRMEZ (*Note 3*); 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. TAN Tiang Hing as his Alternate Director.
2. Mr. Sijbe HIEMSTRA has appointed Mr. Kenneth CHOO Tay Sian as his Alternate Director.
3. Mr. Roland PIRMEZ has appointed Mr. LEE Meng Tat as his Alternate Director.

** For identification purpose only*