GDH

KINGWAY BREWERY HOLDINGS LIMITED
金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

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 profit of the Group is expected to record a significant decrease for the six months ended 30 June 2011 as compared to that for the same period last 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 reviewed 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**").

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 for the six months ended 30 June 2011, which have not yet been reviewed by the Company's auditors, the profit of the Group is expected to record a significant decrease as compared to that for the same period last year.

During the six months ended 30 June 2011, the Group has recorded a growth in both the beer sales volume and sales revenue year-on-year. However, mainly as a result of the impact of (1) the increase in the cost of production materials and (2) the newly imposed city construction tax and education surcharge to the Group's subsidiaries in mainland China, there is a significant decrease in the profit of the Group as compared to the same period last year. The Group is implementing various effective measures to cope with the effect of costs increase to the Group's results.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 June 2011. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available for the time being. Financial information and other details of the Group will be disclosed in the announcement of interim results of the Group for the six months ended 30 June 2011 which is expected to be announced in August 2011.

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
HUANG Xiaofeng
Chairman

Hong Kong, 11 July 2011

As at the date of this announcement, the Board comprises two executive directors, namely Mr. YE Xuquan and Mr. JIANG Guoqiang; five non-executive directors, namely Mr. HUANG Xiaofeng, Ms. XU Wenfang, Mr. HUANG Zhenhai, Mr. LUO Fanyu and Ms. LIANG Jianqin; and three independent non-executive directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.

** For identification purpose only*