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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)

Following clarification with each of GDH and Heineken-APB, the Board has been informed that Heineken-APB has indicated to GDH its interest in increasing its shareholding in the Company and exploring the possibility of eventually acquiring a more than 50% stake in the Company. The Board has also been informed by GDH that it has no intention to relinquish control over the Company. GDH and Heineken-APB have confirmed to the Board that in their discussions, there is no agreement between them regarding terms (including price and the number of shares which may be acquired), that there has been no progress since 20 January 2005 (the date of the Company's previous announcement) and that the discussions between them remain at a very preliminary stage and may or may not lead to any acquisition which would trigger an obligation to make a mandatory offer under The Hong Kong Code on Takeovers and Mergers, or any acquisition at all.

The board of directors (the "Board") of Kingway Brewery Holdings Limited (the "Company") has noted the fluctuation in the price and trading volume of the shares of the Company since 20 January 2005 (the date of the Company's previous announcement) and wishes to clarify the status of discussions between GDH Limited ("GDH"), the controlling shareholder of the Company holding approximately 52.63%, and Heineken-APB (China) Pte Ltd. ("Heineken-APB"), a substantial shareholder of the Company holding approximately 21.44%, regarding a possible increase by Heineken-APB of its shareholding interest in the Company. Following clarification with each of GDH and Heineken-APB, the Board has been informed that Heineken-APB has indicated to GDH its interest in increasing its shareholding in the Company and exploring the possibility of eventually acquiring a more than 50% stake in the Company. The Board has also been informed by GDH that it has no intention to relinquish control over the Company. GDH and Heineken-APB have confirmed to the Board that in their discussions, there is no agreement between them regarding terms (including price and the number of shares which may be acquired), that there has been no progress since 20 January 2005 and that the discussions between them remain at a very preliminary stage and may or may not lead to any acquisition which would trigger an obligation to make a mandatory offer under The Hong Kong Code on Takeovers and Mergers, or any acquisition at all. The Board will issue a further announcement if and when there is any material development of which it becomes aware. Save in relation to the discussions, the Company is not aware of any other reasons for the increase in the price and trading volume of the shares of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Save for the above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Listing Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Listing Rule 13.09, which is or may be of a price-sensitive nature.

Dealing in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was suspended from 9:30 am on 26 January 2005 at the request of the Company. Application has been made for the resumption of dealing in the shares of the Company on the Stock Exchange with effect from 9:30 am on 28 January 2005.

Made by the order of the Company, the Board of which individually and jointly accept responsibility for the accuracy of this statement.

On behalf of the Board
Ye Xuquan
Chairman

Hong Kong, 27 January 2005

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts relating to the Company not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the executive directors are Ye Xuquan, Jiang Guoqiang and Fung Sing Hong, Stephen; the non-executive directors are Koh Poh Tiong, Han Cheng Fong, Herman Petrus Paulus Maria Hofhuis, Zhao Leili, Luo Fanyu, Ho Lam Lai Ping, Theresa and Michael Wu; and the independent non-executive directors are Alan Howard Smith, V-nee Yeh and Rafael Gil-Tienda.

* For identification purpose only