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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)

The Board has noted the increase in the price and trading volume of the shares of the Company on 20 January 2005 and states hereby that it has been informed by GDH, the controlling shareholder of the Company, that GDH is engaged in preliminary discussions with Heineken – APB, a substantial shareholder of the Company, regarding a possible increase by Heineken – APB of its shareholding interest in the Company. To the best of the Board's knowledge, the discussions are 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 increase in the price and trading volume of the shares of the Company on 20 January 2005 and states hereby that it has been informed by GDH Limited ("GDH"), the controlling shareholder of the Company holding approximately 52.63%, that GDH is engaged in preliminary discussions with 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. To the best of the Board's knowledge, the discussions are 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.

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, 20 January 2005

The directors of the Company jointly and severally accept full responsibility for the accuracy of information relating to the Company contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed by the Company 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 Tong, 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