

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KINGWAY BREWERY HOLDINGS LIMITED

金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

**ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES
AND
RESUMPTION OF TRADING**

Reference is made to the announcement of Kingway Brewery Holdings Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") made earlier today in which it announced the suspension of the trading of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 1:30 p.m. today pending the release of this announcement.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Although the Group returned to profitability in 2009 (after incurring two consecutive years of losses), the Group's business continues to face various significant challenges, especially after the 2008 financial crisis (such as increasing costs, additional new taxes and government charges and fierce competition). In view of the aforesaid and the uncertainty in the global and regional economical conditions, the Board has established a committee to conduct a strategic review of the Group. The scope of the strategic review encompasses, among other things, assessing the environment in which the Group operates, looking at ways to improve profitability and create new income streams as well as evaluating the utilization and potential of the Group's assets with a view to formulating the Group's long term business objectives.

As part of the strategic review process, the Company is considering the efficiency and potential of the Group's business and assets and, to this end, plans to commence discussions with certain independent third parties principally engaged in the manufacture and distribution of beer products, and it is expected that such third parties will be invited to submit proposals and indicative offers for possible acquisition of certain of the Group's brewery business and assets, as well as proposals for production facility leasing arrangements with the Group, with a view to enabling the Company to evaluate such business and assets. The Company will also require that the proposals to be submitted should include measures to maintain stability of the workforce at such entities to be transferred.

As the strategic review has several facets, it is only in the event that all of the following conditions are fulfilled that the Company will pursue the abovementioned course of actions:

- (1) the above discussions result in the Company being presented with an offer with a valuation commensurate with the said business and assets;
- (2) the result of the strategic review is that the operation and development of the remaining assets and business will present attractive prospects and opportunities to the Company; and
- (3) it is in the interest of the Company and its shareholders as a whole to do so.

There is however no assurance that any transaction may materialize as a result of the said discussions.

While the outcome of the strategic review may lead to certain actions to be taken by the Board, at the date of this announcement, no terms of any transaction have been settled and no agreements on any transaction have been consummated. The Company will comply with the relevant disclosure and shareholder approval requirements (if applicable) under the Listing Rules in a timely manner when such requirements arise.

Further announcements in relation to the matters referred to above will be made as and when appropriate. The Company may or may not proceed with any actions or transactions, subject to the result of the strategic review. **Investors are advised to exercise extreme caution when dealing in the securities of the Company.**

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 1:30 p.m. today pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on Thursday, 26 January 2012.

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

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 20 January 2012

As at the date of this announcement, the Board comprises two executive directors, namely Mr. YE Xuquan and Mr. JIANG Guoqiang; six non-executive directors, namely Mr. HUANG Xiaofeng, Ms. XU Wenfang, Mr. HUANG Zhenhai, Mr. LI Wai Keung, 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*