KINGWAY BREWERY HOLDINGS LIMITED

金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 124)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

HIGHLIGHTS

	For the six months ended 30 June		
	2008	2007	Change
	(Unaudited)	(Unaudited)	
Beer sales volume, in tonne	**309,000**	366,000	-15.6%
Profit/(loss) for the period, in thousand HK$	**(24,666)**	15,912	-255.0%
Basic earnings/(loss) per share, in HK cent	**(1.4)**	1.1	-227.3%
EBITDA, in thousand HK$	**87,206**	122,394	-28.7%
	As at 30 June 2008	As at 31 December 2007	
	(Unaudited)	(Audited)	
Current ratio	**0.9 times**	0.8 times	+12.5%
Gearing ratio[1]	**6.5%**	8.5%	-2.0%
Total assets, in million HK$	**4,095**	3,970	+3.1%
Net asset value per share, in HK$	**1.76**	1.66	+6.0%
Period-end number of employees	**2,714**	2,388	+13.7%

Note:

1 Gearing ratio = (Interest-bearing debt - cash and cash equivalents)/Net assets

* *For identification purpose only*

UNAUDITED INTERIM RESULTS

The board of directors (the "Board of Directors") of Kingway Brewery Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with comparative figures are as follows. These interim financial statements have not been audited, but have been reviewed by the Company's audit committee and the Company's auditors, Ernst & Young.

Condensed Consolidated Income Statement
For the six months ended 30 June 2008

		For the six months ended 30 June	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	2	**655,726**	802,666
Cost of sales		**(519,253)**	(516,274)
Gross profit		**136,473**	286,392
Other income and gains		**28,617**	14,079
Selling and distribution expenses		**(108,955)**	(206,810)
Administrative expenses		**(64,778)**	(58,367)
Finance costs	3	**(14,675)**	(12,626)
PROFIT/(LOSS) BEFORE TAX	4	**(23,318)**	22,668
Tax	5	**(1,348)**	(6,756)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITYHOLDERS OF THE COMPANY		**(24,666)**	15,912
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITYHOLDERS OF THE COMPANY	7		
Basic		**(1.4) HK cents**	1.1 HK cents
Diluted		**(1.4) HK cents**	1.1 HK cents

Condensed Consolidated Balance Sheet
30 June 2008

	Notes	30 Jun 2008 (Unaudited) HK$'000	31 Dec 2007 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,981,805**	2,820,882
Investment properties		**35,960**	33,762
Prepaid land lease payments		**253,685**	243,367
Goodwill		**9,384**	9,384
Reusable packaging materials		**60,200**	72,732
Deferred tax assets		**4,846**	4,618
Total non-current assets		**3,345,880**	3,184,745
CURRENT ASSETS			
Inventories		**325,285**	318,228
Trade and bills receivables	*8*	**62,807**	61,744
Prepayments, deposits and other receivables		**34,307**	52,855
Tax recoverable		**1,009**	948
Pledged and restricted bank balances		**2,173**	3,970
Cash and cash equivalents		**323,748**	347,144
Total current assets		**749,329**	784,889
CURRENT LIABILITIES			
Trade and bills payables	*9*	**(133,962)**	(83,053)
Tax payable		**(1,705)**	(296)
Other payables and accruals		**(362,764)**	(378,725)
VAT payable		**(12,367)**	(2,103)
Derivative financial instrument		**(37,247)**	(35,718)
Interest-bearing bank borrowings		**(228,920)**	(427,480)
Due to the immediate holding company		**(1,153)**	(218)
Due to fellow subsidiaries		**(11,432)**	(43,707)
Total current liabilities		**(789,550)**	(971,300)
NET CURRENT LIABILITIES		**(40,221)**	(186,411)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,305,659**	2,998,334
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**(289,100)**	(160,000)
Deferred tax liabilities		**(8,441)**	(8,260)
Total non-current liabilities		**(297,541)**	(168,260)
Net assets		**3,008,118**	2,830,074
EQUITY			
Equity attributable to equityholders of the company			
Issued capital		**170,731**	170,667
Reserves		**2,837,387**	2,659,407
Total equity		**3,008,118**	2,830,074

Notes:

(1) Accounting Policies

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2008 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2007, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed below.

Impact of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current period's condensed consolidated interim financial statements.

HK(IFRIC)-Int 11	HKFRS 2 - Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new and revised standards and interpretation has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated interim financial statements.

Impact of issued but not yet effective HKFRSs

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in these condensed consolidated interim financial statements:

HKFRS 2 Amendment	Share-based Payment - Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 13	Customer Loyalty Programmes

(1) Accounting Policies (cont'd)

Change in the estimated economic useful life of property, plant and equipment

In prior year, the Group's certain building and plant & machinery were depreciated on a straight line basis over a period of 20 years and 15 years, respectively. The directors of the Company have reassessed the estimated economic useful life of the Group's building and plant & machinery, taking into account of current business environment and conditions and the expected pattern of economic benefits from these assets, and have revised the estimated economic useful lives of building from 20 years to 30 years and useful lives of plant & machinery from 15 years to 20 years. The change in accounting estimate has been applied prospectively from 1 January 2008. The effect of this change in accounting estimates is a decrease in the depreciation expenses and an increase in net profit for the six months ended 30 June 2008 of HK$14,477,000, and HK$12,295,000 (after tax expenses of HK$2,182,000), respectively. The reduction in accounting depreciation has had no effect on the Group's deferred tax as this change in accounting estimate also applied in the computation of taxable profits of the Group's subsidiaries.

(2) Segment Information

Segment information is presented by way of the Group's primary segment reporting basis, by geographical segment. No further business segment information is presented as the Group's operations relate solely to the production, distribution and sale of beer. Summary details of the geographical segments are as follows:

(a) The Mainland China segment engages in the production, distribution and sale of beer in the People's Republic of China (the "PRC" or "Mainland China") except for Hong Kong and Macau;

(b) The Overseas and Hong Kong segment engages in the distribution and sale of beer in Hong Kong, Macau and overseas; and

(c) The Corporate segment engages in providing corporate services to the Mainland China segment and the Overseas and Hong Kong segment in Hong Kong.

In determining the Group's geographical segment, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment transactions mainly represent the sale of beer by the Mainland China segment which was made on the bases determined within the Group.

(2) Segment Information (cont'd)

Geographical segments

The following table presents revenue and results for the Group's geographical segments:

For the six months ended 30 June 2008

	Mainland China (Unaudited) HK$'000	**Overseas and Hong Kong (Unaudited) HK$'000**	**Corporate (Unaudited) HK$'000**	**Eliminations (Unaudited) HK$'000**	**Consolidated (Unaudited) HK$'000**
Segment revenue:					
Sales to external customers	**621,388**	**34,338**	**-**	**-**	**655,726**
Intersegment sales	**14,402**	**-**	**-**	**(14,402)**	**-**
Other revenue and gains	**14,807**	**-**	**10,326**	**-**	**25,133**
Total	**650,597**	**34,338**	**10,326**	**(14,402)**	**680,859**
Segment results	**(29,915)**	**12,745**	**5,043**	**-**	**(12,127)**
Interest income					**3,484**
Finance costs					**(14,675)**
Loss before tax					**(23,318)**
Tax					**(1,348)**
Loss for the period					**(24,666)**

For the six months ended 30 June 2007

	Mainland China (Unaudited) HK$'000	Overseas and Hong Kong (Unaudited) HK$'000	Corporate (Unaudited) HK$'000	Eliminations (Unaudited) HK$'000	Consolidated (Unaudited) HK$'000
Segment revenue:					
Sales to external customers	770,253	32,413	-	-	802,666
Intersegment sales	11,233	-	-	(11,233)	-
Other revenue and gains	8,284	-	2,143	-	10,427
Total	789,770	32,413	2,143	(11,233)	813,093
Segment results	22,594	11,333	(2,285)	-	31,642
Interest income					3,652
Finance costs					(12,626)
Profit before tax					22,668
Tax					(6,756)
Profit for the period					15,912

(3) Finance Costs

	For the six months ended 30 June 2008 (Unaudited) HK$'000	2007 (Unaudited) HK$'000
Interest on bank loans wholly repayable within five years	**9,258**	19,161
Fair value loss/(gain) on cash flow hedge (transfer from equity)	**5,417**	(2,926)
	14,675	16,235
Less: Interest capitalised	**-**	(3,609)
	14,675	12,626

(4) Profit/(loss) Before Tax

This is arrived at after charging/(crediting):

	For the six months ended 30 June 2008 (Unaudited) HK$'000	2007 (Unaudited) HK$'000
Depreciation	**74,236**	68,843
Recognition of prepaid land lease payments	**3,092**	2,365
Amortisation of reusable packaging materials	**18,521**	15,892
Interest income	**(3,484)**	(3,652)

(5) Tax

	For the six months ended 30 June 2008 (Unaudited) HK$'000	2007 (Unaudited) HK$'000
Group:		
Current - Hong Kong	**1,538**	1,808
Current - Mainland China:		
Charge for the period	**-**	3,692
Overprovision in prior periods	**(97)**	(164)
Deferred	**(93)**	1,420
Total tax charge for the period	**1,348**	6,756

(5) Tax (cont'd)

Hong Kong profits tax has been provided at a rate of 16.5% (Six months ended 30 June 2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in those places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

On 16 March 2007, the National People's Congress approved the PRC Corporate Income Tax Law (the "New CIT Tax Law"), which is effective from 1 January 2008. Under the New CIT Tax Law, corporate income tax rate for domestic companies and foreign-invested enterprises will decrease from 33% to 25% since 1 January 2008. In addition, for those enterprises benefiting from lower preferential tax rates, such preferential rates will be gradually phased out by increasing them over the next five years.

Pursuant to the PRC tax laws, certain subsidiaries of the Group are entitled to preferential tax treatment with full tax exemption from PRC corporate income tax ("CIT") for two years, followed by 50% reduction in CIT rate for the next three years.

Shenzhen Kingway Brewing Co., Ltd. is entitled to a 50% tax relief for the six months ended 30 June 2008 and 2007.

Kingway Brewery (Dongguan) Co., Ltd. is entitled to a 50% tax relief for the six months ended 30 June 2008 and was exempted from CIT for the six months ended 30 June 2007.

Kingway Brewery (Shan Tou) Co., Ltd. is exempted from CIT for the six months ended 30 June 2008 and 2007.

Kingway Brewery (Tianjin) Co., Ltd., Kingway Brewery (Xian) Co., Ltd., Kingway Brewery Group (Chengdu) Co., Ltd. and Kingway Brewery (Foshan) Co., Ltd. have not generated any accumulated assessable profits since their establishments. These companies are entitled to full tax exemption from CIT for two years commencing from 1 January 2008, followed by 50% reduction in CIT rate for the next three years.

(6) Interim Dividend

The directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2008 (2007: nil).

(7) Earnings/(Loss) Per Share

The calculation of the basic and diluted earnings/(loss) per share for the six months ended 30 June 2007 and 2008 are based on:

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings/(loss):		
Profit/(loss) attributable to ordinary equityholders of the company, used in the basic and diluted earnings/(loss) per share calculation	**(24,666)**	15,912

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share calculation	**1,706,783,569**	1,479,305,414
Effect of dilution - weighted average number of ordinary shares that would have been issued on deemed exercise of all share options with dilutive effects at nil consideration	**4,241,678**	15,372,313
For the purpose of diluted earnings/(loss) per share	**1,711,025,247**	1,494,677,727

(8) Trade and Bills Receivables

The Group's trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, invoices are normally payable within 30 to 180 days of issuance. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing and the carrying amounts of the trade receivables approximate to their fair values.

An aged analysis of the Group's trade and bills receivables at the respective balance sheet dates, based on payment due date, is as follows:

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Within 3 months	**34,124**	16,800
3 to 6 months	**328**	750
6 months to 1 year	**503**	486
Over 1 year	**426**	367
	35,381	18,403
Less: Impairment	**(415)**	(390)
Trade receivables	**34,966**	18,013
Bills receivables	**27,841**	43,731
	62,807	61,744

(9) Trade and Bills Payables

An aged analysis of the Group's trade and bills payables, based on invoice date, is as follows:

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Within 3 months	**118,668**	69,950
3 to 6 months	**10,531**	8,111
6 months to 1 year	**3,557**	2,137
Over 1 year	**1,206**	2,855
Trade payables	**133,962**	83,053

The trade payables are non-interest-bearing and are normally settled on 30-day term. The carrying amounts of the trade payables approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Key Operating Data

The Board of Directors of the Company reports that the sales volume of Kingway beer for the first half of the year was 309,000 tonnes (2007: 366,000 tonnes), representing a decrease of 15.6% over the same period last year. The consolidated revenue was HK$656 million (2007: HK$803 million), representing a decrease of 18.3% as compared to the same period last year. The unaudited consolidated loss for the period was HK$24.67 million (2007: consolidated profit of HK$15.91 million).

The Board of Directors of the Company resolved not to declare the payment of interim dividend for the six months ended 30 June 2008 (2007: nil).

The sales volume for the first half of the year had been decreased as compared to that of the same period last year, on the one hand, was due to the impact of natural disasters such as the rainstorm, snowstorm and earthquake that had occurred in the first half of 2008, particularly the impact of the rainstorm and snowstorm on the sales volume in Guangdong Province. And on the other hand, the adjustment of sales models conducted by the Group during the first half of the year had also affected the sales volume to certain extends.

Business and Financial Review

During the period under review, the principal business of the Group continued to be production, distribution and sale of Kingway beer. 66% of the beer sold was produced in Guangdong Province, whereas the remaining 34% was produced in Tianjin, Xian and Chengdu respectively.

Average costs of sales per tonne of beer for the first half of the year was HK$1,680 (2007: HK$1,411), representing an increase of 19.1% over the same period last year. The increase in average unit costs of sales per tonne of beer was primarily resulted from the rise in the prices of raw material, such as malt and rice, packaging materials and power sources, together with the increased depreciation after the commencement of operation of new brewery plants, and raised fixed costs per tonne of beer sold due to low utilization rate of the facilities.

Selling and distribution expenses was HK$109 million for the first half of the year (2007: HK$207 million), representing a decrease of 47.3% over the same period last year. The average selling and distribution expenses per tonne decreased by 37.6% as compared to the same period last year. The decrease was primarily attributable to the adjustment of sales models that results in the decrease of sales force.

Administrative expenses for the first half of the year was HK$64.78 million (2007: HK$58.37 million), representing an increase of 11.0% over the same period last year. This was primarily due to the increase in administrative expenses after commissioning of the brewery plant in Foshan and full operation of the brewery plants in Xian and Chengdu.

Net finance costs of the Group were HK$14.68 million for the first half of 2008 (2007: HK$12.63 million), represented an increase of approximately 16.2%. The main reason for the increase was that all interest expenses were recognised as finance costs after the new brewery plants were fully put into production during the period under review, whereas there were capitalized finance costs of approximately HK$3.61 million in aggregate for the first half of last year.

Financial Resources, Liquidity and Debt

The Group had cash and bank balances of HK$326 million as at 30 June 2008 (including pledged and restricted bank balances of HK$2.17 million), of which 79.6% was in RMB, 15.8% was in USD, 4.1% was in HKD, and 0.5% was in EUR.

Net cash inflow from operating activities during the period under review was HK$107 million. Capital expenditure (cash outflow) was approximately HK$73.43 million, which was mainly related to the payment for remaining construction costs of brewery plants in Xian, Chengdu and Foshan. A total of HK$69.46 million of interest-bearing bank borrowings were repaid during the period.

As at 30 June 2008, the Group had an aggregated amount of outstanding interest-bearing bank borrowings of HK$518 million (31 December 2007: HK$587 million). The gearing ratio was 6.5% (31 December 2007: 8.5%), represented a decrease of 2%. Though net current liabilities of approximately HK$40.22 million was recorded as at the balance sheet date, it had been a substantial improvement as compared with the beginning of the year. With the cash inflow from operating activities and standby banking facilities, the Group will have sufficient financial resources to cover all of the liabilities due and payable. As at 30 June 2008, the Group had no contingent liability.

As at 31 December 2007, there was approximately HK$279 million of long-term bank borrowings reclassified as short-term bank borrowings because the Group may or may not comply with the covenant requirement as stipulated in the loan facility letters and the long term bank loans may be wholly repayable within twelve months. During the period under review, the Group had reached an agreement with the bank and there will be no reclassification of the long-term bank borrowings due to non-compliance of any bank loan agreement.

Human Resources

As at 30 June 2008, the Group had 2,714 employees (31 December 2007: 2,388). Reasonable remuneration packages that take into account business performance, market practices and market conditions are offered to employees in compensation for their contribution. In addition, discretionary bonuses are also granted based on the results of the Group and performance of individual employees.

Outlook

Following the commencement of operation of the new brewery plant in Foshan with an annual production capacity of 200,000 tonnes at the beginning of the year, constructions of the Group's new production facilities were fully completed. The Group will focus on establishing its sales networks, and in enhancing its sales volume and profitability.

All the major beer brands in China are have entered into the Guangdong Province, causing fierce competitions and excessive capacity in the Province. The Group will formulate corresponding measures in respect of marketing and sales, manufacturing process innovation, cost and expense control so as to improve profitability and maintain Kingway's brand presence as well as market share in the Guangdong Province.

Sales from the brewery plants in Chengdu and Xian were dampened in the aftermath of 12 May Wenchuan Earthquake. However, efforts made from our staff in earthquake relief and appropriate adjustments have alleviated the impact of earthquake on the results of these brewery plants. The beer sales volume from the new brewery plants in Chengdu, Xian and Tianjin recorded a growth year-on-year respectively that tally with expectation. It is expected that the new brewery plants will make contribution to the Group gradually in the future with their continuous growth of sales volume.

The Group's management will endeavor to develop sales network for the Group's respective brewery plants and lay down specific strategies according to different marketing and competition conditions in different locations, enlarge the market shares, fully utilize the Group's existing capacity, minimize the lead time before full-scale running of the new brewery plants with an aim to improve the Group's results within the shortest possible timeframe, and strive to enhance return for the shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Code on Corporate Governance Practices

The Company has applied the principles and complied with the code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30 June 2008.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2008.

Audit Committee

The Company established an audit committee ("Audit Committee") in September 1998. The terms of reference of the Audit Committee adopted by the board of directors of the Company are in line with the CG Code. The Audit Committee comprises the three independent non-executive directors, Mr. V-nee YEH as the chairman, Mr. Alan Howard SMITH and Mr. Felix FONG Wo as members. The principal duties of the Audit Committee include, inter alia, the review of the completeness, accuracy and fairness of the Company's financial reports and the Group's internal controls and risk management systems.

Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") in June 2005. The terms of reference of the Remuneration Committee adopted by the board of directors of the Company are in line with the CG Code. The Remuneration Committee comprises Mr. KOH Poh Tiong as the chairman, Mr. V-nee YEH, Mr. Alan Howard SMITH and Mr. Felix FONG Wo as members. The principal duties of the Remuneration Committee include, inter alia, making recommendations to the Board relating to the Company's policy for directors' and senior management's remuneration, determining the executive directors' and senior management's remuneration packages, reviewing and approving their performance-based remuneration and compensation payable for their loss of offices.

Review of Interim Results

The Audit Committee has reviewed the unaudited interim financial statements and the interim report of the Group for the six months ended 30 June 2008. In addition, the Company's external auditors, Ernst & Young, have also reviewed the aforesaid unaudited interim financial statements.

Purchase, Sale and Redemption of the Listed Securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008.

Disclosure Pursuant to Paragraph 13.21 of Chapter 13 of the Listing Rules

The Company has entered into three facility letters ("Facility Letters") signed between the Company and two different banks respectively for loan facilities with an aggregate amount of up to approximately HK$696.4 million. The facility letters imposed specific performance obligations on GDH Limited, the controlling shareholder of the Company, and/or Heineken-APB (China) Pte Ltd., a substantial shareholder of the Company. The Facility Letters include, inter alia, a condition to the effect that GDH Limited and/or Heineken-APB (China) Pte Ltd. shall in aggregate at all times to own directly or indirectly at least 51% of the issued ordinary shares of the Company. A breach of the above condition would constitute an event of default under the Facility Letters. If such an event of default occurs, the above facilities will become immediately due and repayable.

Details of each of the Facility Letters are summarized in the followings:

Date of Facility letters	Facility amount	Outstanding balance as at 30 June 2008	Last repayment date
25 November 2005	US$38 million	US$20.9 million	November 2009
27 October 2006	HK$200 million	HK$175 million	October 2010
19 December 2006	HK$200 million	HK$180 million	December 2010

Publication of Interim Results and Interim Report

This interim results announcement is published on the websites of the Company (www.kingwaybeer.hk) and Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk). The 2008 Interim Report containing all the information required by the Listing Rules will be despatched to shareholders and made available on the above websites in due course.

By Order of the Board
LI Wenyue
Chairman

Hong Kong, 4 September 2008

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. ZHAO Leili, Mr. LUO Fanyu, Mr. Michael WU, Mr. KOH Poh Tiong *(Note 1)*, Mr. Sijbe HIEMSTRA *(Note 2)* and Mr. Anthony CHEONG Fook Seng *(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. HUANG Hong Peng as his alternate director.
2. Mr. Sijbe HIEMSTRA has appointed Mr. Kenneth CHOO Tay Sian as his alternate director.
3. Mr. Anthony CHEONG Fook Seng has appointed Mr. LEE Meng Tat as his alternate director.