KINGWELL GROUP LIMITED
京維集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

PROFIT WARNING ALERT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's annual results currently available to the Board for the year ended 30 June 2017, the Group is expected to record over 90% increase in loss for the year ended 30 June 2017 as compared with loss for the year ended 30 June 2016. The increase in loss is mainly due to the provision for impairment of an associate (the " Port First Limited"). The estimated recoverable amount of the Group's investment in Port First Limited, determined with reference to the cash flows expected to be generated by Port First Limited, dropped significantly. Therefore, Port First Limited should be impaired and the impairment loss was charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017.

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

This announcement is made by Kingwell Group Limited (the "Company") together with its subsidiaries (the "Group") pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board of directors (the "Director(s)") of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, based on the preliminary assessment of the Group's annual results currently available to the Board for the year ended 30 June 2017, the Group is expected to record over 90% increase in loss for the year ended 30 June 2017 as compared with loss for the year ended 30 June 2016. The increase in loss is mainly due to the provision for impairment of an associate (the "Port First Limited"). The estimated recoverable amount of the Group's investment in Port First Limited, determined with reference to the cash flows expected to be generated by Port First Limited, dropped significantly. Therefore, Port First Limited should be impaired and the impairment loss was charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017.

The Port First Limited is an investment holding company and its subsidiaries, Longkou Jinxin Gold Co., Ltd.（龍口市金鑫黃金有限公司）and Longkou Jinhui Gold Co., Ltd.（龍口市金匯黃金有限公司）, are engaged in mining, processing, refining and sale of gold bars in Mainland China. Due to the increasingly strict environmental requirements, both plant and equipment were in upgrading process, which led to the decrease in production volume and the increase in unit production cost. Therefore, the expected cash flows dropped significantly.

The Company is still in the process of finalising the annual results of the Group for the year ended 30 June 2017. The information contained in this announcement is only based on the preliminary assessment of the Group's annual results currently available to the Board for the year ended 30 June 2017, which has not been confirmed and is subject to any adjustments where necessary.

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

By Order of the Board
KINGWELL GROUP LIMITED
Mu Dongsheng
Executive Director

Hong Kong, 15 September 2017

As at the date of this announcement, the Board comprises Mr. Mu Dongsheng, Mr. Yang Xue Jun and Mr. Sze Ming Yee as Executive Directors, and Mr. Cheung Chuen, Mr. Ling Aiwen and Mr. Han Hongwei as Independent Non-executive Directors.