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KINGWELL GROUP LIMITED
京維集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Reference is made to the annual reports of Kingwell Group Limited (the "**Company**") for the year ended 30 June 2018 (the "**2018 Annual Report**") and the year ended 30 June 2016 (the "**2016 Annual Report**"). Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the 2018 Annual Report.

As disclosed in the 2016 Annual Report, as at 30 June 2016, the remaining unutilized proceeds from the open offer (the "**Open Offer**") as disclosed in the Company's announcements dated 8 September 2015 and 4 November 2015 and the open offer prospectus dated 12 October 2015, was approximately HK$13 million reserved as bank deposit for possible acquisitions/investments.

Further to the 2018 Annual Report, the Board wishes to provide supplemental information regarding the use of remaining proceeds from the Open Offer pursuant to paragraph 11(8) of Appendix 16 of the Listing Rules.

During the year ended 30 June 2018, the remaining net proceeds from the Open Offer of approximately HK$13 million brought forward from the previous financial year were not utilised, and were reserved as bank deposit for possible acquisitions/investments as and when such opportunities arise.

On 25 June 2018, the Group entered into a sale and purchase agreement regarding the acquisition of a property management business in Xuzhou City, Jiangsu Province, PRC, the consideration payable by the Group was RMB9,000,000 (equivalent to approximately HK$10,800,000). This transaction was completed and the consideration was satisfied by the Company as to RMB6,000,000 (equivalent to approximately HK$7,200,000) in November 2018 and RMB3,000,000 (equivalent to approximately HK$3,600,0000) in December 2018.

On 1 March 2019, the Group entered into a sale and purchase agreement regarding the acquisition of 700 carpark spaces in Xuzhou City, Jiangsu Province, PRC, the consideration payable by the Group was RMB28,000,000 (equivalent to approximately HK$33,600,000). This transaction was completed and the first instalment of RMB8,000,000 (equivalent to approximately HK$9,600,000) was paid in March 2019. The second instalment and remaining balance of total RMB20,000,000 (equivalent to approximately HK$24,000,000) will be paid according to terms under the sale and purchase agreement.

The remaining proceeds of approximately HK$13 million from the Open Offer had been fully utilized following the payment of RMB17,000,000 (equivalent to approximately HK$20,400,000) for the above transactions.

This announcement does not affect other information contained in the 2018 Annual Report, all other contents of the 2018 Annual Report remain true and accurate.

The exchange rate used for the purpose of this announcement is at RMB1 = HK$1.2

By Order of the Board
KINGWELL GROUP LIMITED
Mu Dongsheng
Chairman

Hong Kong, 28 June 2019

As at the date of this announcement, the Board comprises Mr. Mu Dongsheng and Mr. Sze Ming Yee as executive Directors, and Mr. Cheung Chuen, Mr. Ling Aiwen and Mr. Lu Lin as independent non-executive Directors.