KINGWELL GROUP LIMITED
京 維 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

UNUSUAL SHARE PRICE MOVEMENTS

This announcement is made pursuant to Rule 13.09(2) and 13.10 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**") and reference to the announcement of Kingwell Group Limited (the "**Company**") dated 12 November 2014 (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Company has entered into a conditional agreement with the Vendors, who are Independent Third Parties, in relation to the acquisition of 45% equity interest in Shanghai Beidou Satellite Navigation Platform Limited* (上海北斗衛星導航平台有限公司). On 16 December 2014, the Board received verbal notice from the Vendors that the completion of the Acquisition has encountered obstacles in obtaining regulatory approval for the Xingdi Acquisition, which is a condition precedent to the Sale and Purchase Agreement. As such, the Vendors requested to terminate the Sale and Purchase Agreement as the condition precedent thereto could not be satisfied. The Company has yet to receive a written notification from the Vendors in this regard.

Shareholders of the Company and other investors should note that the Acquisition may not proceed and are advised to exercise caution when dealing in the shares of the Company.

The Board noted the recent decrease in the price of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that save as disclosed above, it is not aware of any reason for the price movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

Further announcement(s) in respect of progress of the Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules and the SFO.

This announcement is made by the order of the Board, the directors of the Company collectively and individually accepts responsibility for the accuracy of this announcement.

By Order of the Board
KINGWELL GROUP LIMITED
Hui Lung Hing
Executive Director

Hong Kong, 16 December 2014

As at the date of this announcement, the Board comprises Mr. Hui Lung Hing, Mr. Xiang Song, Mr. Sze Ming Yee, Mr. Lin Wan Xin, Ms. Xu Yue Yue and Mr. Yang Xue Jun as executive Directors, and Mr. Huang Jian Zi, Mr. Cheung Chuen and Ms. Wong Lai Wing as independent non-executive Directors.