KINGWELL GROUP LIMITED
京 維 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

OPEN OFFER OF 288,409,173 OFFER SHARES AT HK$0.16 PER OFFER SHARE ON THE BASIS OF ONE OFFER SHARE FOR EVERY NINE SHARES HELD ON THE RECORD DATE

Financial Adviser and Underwriter

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

THE OPEN OFFER

The Company proposes to raise approximately HK$46.1 million, before expenses, by issuing 288,409,173 Offer Shares (assuming no Shares to be issued or repurchased by the Company from the date of this announcement up to the Record Date) to the Qualifying Shareholders by way of the Open Offer, at the Subscription Price of HK$0.16 per Offer Share on the basis of one (1) Offer Share for every nine (9) Shares held on the Record Date.

The net proceeds from the Open Offer after deducting estimated expenses are estimated to be approximately HK$43.4 million and the Company intends to use such net proceeds as to (i) approximately HK$20.0 million for settlement of outstanding debts and related interests; (ii) approximately HK$13.0 million reserved for possible acquisitions/investments as and when such opportunities arise; and (iii) approximately HK$10.4 million for general working capital to strengthen the Company's financial position.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, Shareholders must be registered as a member of the Company as at the Record Date and not an Excluded Shareholder. In order to be registered as members of the Company for the entitlement of the Open Offer, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 2 October 2015. The register of members of the Company will be closed from Monday, 5 October 2015 to Friday, 9 October 2015, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during the book closure period.

UNDERWRITING AGREEMENT

Except for the 82,293,910 Undertaken Offer Shares, 206,115,263 Offer Shares under the Open Offer will be fully underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement. If the Underwriting Agreement is terminated or rescinded or the conditions of the Open Offer set out in the paragraph headed "Conditions of the Open Offer" are not satisfied or waived thereof by the Underwriter, the Open Offer will not proceed.

GENERAL

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial Shareholder or an associate of any of them, pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders, if any) on Monday, 12 October 2015.

WARNING

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be traded on an ex-entitlement basis commencing from Wednesday, 30 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or potential investor dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be on 4:00 p.m. on Friday, 30 October 2015) will bear the risk that the Open Offer does not become unconditional and does not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE OPEN OFFER

On 8 September 2015 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and details of the Open Offer are set out below.

Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every nine (9) Shares held on the Record Date
Subscription Price:	HK$0.16 per Offer Share
Number of Shares in issue:	2,595,682,564 Shares
Number of Offer Shares:	288,409,173 Offer Shares (assuming no Shares to be issued or repurchased by the Company from the date of this announcement up to the Record Date)
Aggregate nominal value of the Offer Shares to be issued:	HK$28,840,917.3
Number of Shares in issue upon Completion:	2,884,091,737 Shares
Amount to be raised before expenses:	HK$46.1 million

As at the date of this announcement, save for (i) outstanding Share Options entitling Share Options Holders to subscribe for an aggregate of 152,096,000 new Shares; and (ii) outstanding 3,000,000 Convertible Preferred Shares entitling the Convertible Preferred Shares Holder to convert into a maximum of 10,000,000 new Shares, the Company has no other outstanding derivatives, options, warrants or securities in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming no Shares to be issued or repurchased by the Company from the date of this announcement up to the Record Date, 288,409,173 Offer Shares will be allotted and issued under the Open Offer. The Offer Shares represent (i) approximately 11.11% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.00% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

Subscription Price

The Subscription Price of HK$0.16 per Offer Share is payable in full upon application for the Offer Shares under the Open Offer and represents:

(i) a discount of approximately 46.67% to the closing price of HK$0.3 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 45.39% to the average closing price of HK$0.293 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Day;

(iii) a discount of approximately 44.06% to the theoretical ex-entitlement price of approximately HK$0.286 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK$0.3 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(iv) a premium of approximately 46.79% over the unaudited consolidated net assets per Share of approximately HK$0.109 as at 31 December 2014 (based on the Company's unaudited consolidated net assets attributable to owners of the Company of approximately RMB225,876,000 (equivalent to approximately HK$282,345,000) as at 31 December 2014 and 2,595,682,564 Shares in issue as at the date of this announcement).

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the prevailing market condition, market price and trading liquidity of the Shares. Taken into account that the Open Offer will enable all Qualifying Shareholders entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to their shareholdings held on the Record Date, and that the Subscription Price has been set as a discount to the recent closing prices of the Shares to encourage existing Shareholders to take up their entitlements and participate in the future development of the Company, the Directors consider the terms of the Open Offer, including the Subscription Price, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net issue price (after deducting the costs and expenses in relation to the Open Offer, including the underwriting commission and assuming no change to the issued share capital of the Company from the date of this announcement up to the Record Date) of the Offer Shares is approximately HK$0.15 per Offer Share.

Qualifying Shareholders

To qualify for the Open Offer, Shareholders must be registered as a member of the Company as at the close of business on the Record Date and not an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status and actions to be taken.

In order to be registered as members of the Company for the entitlement of the Open Offer, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 2 October 2015.

Undertaking for acceptance

Except for the 82,293,910 Undertaken Offer Shares undertaken by each of Mr. Hui and Mr. Yin to subscribe and Mr. Sze to procure Union Day to subscribe in full, the Board has not received any information from any Shareholders of their intention to take up the Offer Shares under the Open Offer as at the date of this announcement.

Excluded Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. If there are Overseas Shareholders on the Record Date, the Directors will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

The result of the enquiries and the basis of the exclusion, if any, will be included in the Prospectus.

Closure of register of members

The register of members of the Company will be closed from Monday, 5 October 2015 to Friday, 9 October 2015, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during the book closure period.

Status of the Offer Shares

Each of the Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of their respective allotment and issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared after the date of their allotment and issue.

Fractions of the Offer Shares

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders. All such fractional entitlements will be aggregated and taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

Share certificates and refund cheques for the Open Offer

Subject to the fulfilment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted on or before Thursday, 5 November 2015 to those entitled thereto by ordinary post at their own risk. If the Open Offer is terminated, refund cheques in respect of the applications for Offer Shares are expected to be posted on or before Thursday, 5 November 2015 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the grant of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS.

No application for excess Offer Shares

Any Offer Shares (i) not taken up by Qualifying Shareholders in accordance with their proportional allocations; and (ii) to which Excluded Shareholders would otherwise have been entitled (if any), will not be made available for excess applications by the Qualifying Shareholders. Any Offer Shares not taken up by the Qualifying Shareholders will be taken up by the Underwriter.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Odd lot matching

In order to facilitate the trading of odd lots of the new Shares arising from the Open Offer, the Company will appoint a designated broker as matching agent to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 6 November 2015 to 4:30 p.m. on Friday, 27 November 2015 (both days inclusive).

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional upon the following conditions being fulfilled:

(i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares (in their fully-paid forms) by no later than the Latest Time for Acceptance;

(ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) not later than the Prospectus Posting Date;

(iii) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) by no later than the Prospectus Posting Date;

(iv) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;

(v) compliance with the performance of all the undertakings and obligations of the Company under the Underwriting Agreement by the Latest Time for Termination;

(vi) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time of Termination;

(vii) the delivery to the Underwriter on or before the date of the Underwriting Agreement undertakings from each of Mr. Sze, Mr. Hui, Mr. Yin, the Share Options Holders and the Convertible Preferred Shares Holder; and

(viii) compliance by each of Mr. Sze, Mr. Hui, Mr. Yin, the Share Options Holders and the Convertible Preferred Shares Holder of their respective undertakings.

Save for condition (v) above which may be waived by the Underwriter, none of the conditions precedent as set out above is capable of being waived by any party to the Underwriting Agreement.

If the conditions precedent as set out above are not satisfied or otherwise waived thereof by the Latest Time for Termination (or such later time and/or date as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate (save for any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise.

UNDERWRITTING AGREEMENT

Date:	8 September 2015
Issuer:	The Company
Underwriter:	Yu Ming Investment Management Limited
Number of Underwritten Shares:	The Offer Shares (except for the 82,293,910 Undertaken Offer Shares), being 206,115,263 Offer Shares (assuming no Shares to be issued or repurchased by the Company from the date of this announcement up to the Record Date)
Commission:	3%

The commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter. The Directors consider that such amount is on normal commercial terms and is comparable with market rate.

UNDERTAKINGS

Each of Mr. Sze, Mr. Hui, Mr. Yin, the Share Options Holders and the Convertible Preferred Shares Holder has provided irrevocable undertaking to the Company in respect of their respective holdings in Shares, Share Options and Convertible Preferred Shares in relation to the Open Offer.

Mr. Sze, Mr. Hui and Mr. Yin's Undertaking

(i) Each of the Mr. Sze, Mr. Hui and Mr. Yin has irrevocably undertaken to the Company not to dispose of, or enter into any agreement/arrangement to dispose of, any Shares hold by Union Days, Mr. Hui and Mr. Yin, being 345,778,539, 250,000,000 and 144,866,667 Shares respectively, from the date of the Underwriting Agreement to 31 October 2015; and

(ii) Mr. Sze has irrevocably undertaken to the Company to procure Union Day to subscribe for all the 38,419,837 Offer Shares which Union Day is entitled to subscribe under the Open Offer; and each of Mr. Hui and Mr. Yin has irrevocably undertaken to the Company to subscribe for all the 27,777,777 Offer Shares and 16,096,296 Offer Shares which Mr. Hui and Mr. Yin are entitled to subscribe respectively under the Open Offer.

Share Options Holders' Undertaking

Each of the Share Options Holders has irrevocably undertaken to the Company not to dispose of, or enter into any agreement/arrangement to disposal of, or exercise any subscription rights attaching to, the Share Options beneficially owned by each of the Share Option Holders from the date of the Underwriting Agreement to 31 October 2015.

Convertible Preferred Shares Holder's Undertaking

The Convertible Preferred Shares Holder has irrevocably undertaken to the Company not to dispose of, or enter into any agreement/arrangement to disposal of, or exercise any conversion rights attaching to, the Convertible Preferred Shares beneficially owned by the Convertible Preferred Shares Holder from the date of the Underwriting Agreement to 31 October 2015.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination:

(i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

  (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or

  (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

  (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

(d) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

(e) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

(ii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or

(iii) the Prospectus in connection with the Open Offer when published contain information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter is also entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

(i) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties or undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

If prior to the Latest Time for Termination, any notice referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall be terminated.

If the Underwriting Agreement is terminated or rescinded, neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Open Offer will not proceed.

CHANGES IN SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company from the date of this announcement to immediately upon Completion (assuming no Shares to be issued or repurchased by the Company from the date of this announcement up to the Record Date).

	As at the date of this announcement		**Immediately upon Completion and assuming all Shareholders have taken up the Offer Shares**		**Immediately upon Completion and assuming no Shareholder has taken up the Offer Shares (except for the Undertaken Offer Shares)**	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*
Union Day *(Note 1)*	345,778,539	13.32%	384,198,376	13.32%	384,198,376	13.32%
Mr. Hui *(Note 2)*	250,000,000	9.63%	277,777,777	9.63%	277,777,777	9.63%
Mr. Yin *(Note 3)*	144,866,667	5.58%	160,962,963	5.58%	160,962,963	5.58%
The Underwriter	—	—	—	—	206,115,263	7.15%
Other public Shareholders	1,855,037,358	71.47%	2,061,152,621	71.47%	1,855,037,358	64.32%
Total	2,595,682,564	100.00%	2,884,091,737	100.00%	2,884,091,737	100.00%

Notes:

1. 345,778,539 Shares held by Union Day, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 72% by Mr. Sze.

2. Mr. Hui is also interested in 8,000,000 Share Options which, upon exercise of the subscription right attaching to the Share Options in full, will be convertible into 8,000,000 Shares.

3. Mr. Yin is also interested in 5,000,000 Share Options which, upon exercise of the subscription right attaching to the Share Options in full, will be convertible into 5,000,000 Shares.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in (i) property development; and (ii) gold mining business.

The Directors consider that the Open Offer will (i) allow the Group to strengthen its financial position without having to incur interest expenses as compared to debt financing; (ii) provide financial flexibility necessary for the Group's development; and (iii) provide additional funding to capture suitable investment opportunities as and when they arises. In addition, the Open Offer would also provide an opportunity to all Qualifying Shareholders to participate in the future development of the Company in proportion to their shareholdings. Therefore, the Directors consider that the Open Offer is in the interests of the Company and the Shareholders as a whole.

The Company will raise approximately HK$46.1 million, before expenses, from the Open Offer. The net proceeds from the Open Offer after deducting estimated expenses are estimated to be approximately HK$43.4 million, and the Company intends to use such as to (i) approximately HK$20.0 million for settlement of interest-bearing borrowings; (ii) approximately HK$13.0 million reserved for possible acquisitions/investments as and when such opportunities arise; and (iii) approximately HK$10.4 million for general working capital to strengthen the Company's financial position.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Apart from the fund raising activity mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
10 November 2014	Allotment of 15,000,000 Shares upon conversion of 15,000,000 warrants at subscription price of HK$0.29 per new share	HK$4.35 million	To be used for general working capital and future development of the Group	1. Approximately HK$2.14 million has been used for settlement of audit fee; 2. Approximately HK$2.21 million has been used for payment of salaries and directors fees
1 December 2014	Allotment of 3,000,000 Shares upon conversion of 3,000,000 warrants at subscription price of HK$0.75 per new share	HK$2.25 million	To be used for the reduction of interest-bearing other borrowings, general working capital and future investments of the Group	Used for payment of salaries and directors fees
27 January 2015	Placing of 185,000,000 new shares under general mandate at placing price of HK$0.47 per new share	HK$86.85 million	To be used for general working capital and future investments of the Group	Used for settlement of cash considerations for the acquisition of gold mines in Shandong as disclosed in the announcement of the Company dated 30 January 2015 (the "**Shandong Acquisitions**")

During the past twelve months, the Company has issued and allotted 27,500,000, 16,200,000, 384,000 and 25,412,000 new shares at exercise price of HK$0.287, HK$0.449, HK$0.306 and HK$0.61 per Share, respectively, as a result of exercise of share options to the share option holders of the Company. The total fund raised from exercise of the abovementioned share options of an aggregate of 69,496,000 new shares amounted to HK$30.79 million in aggregate. The raised fund was used as (i) settlement of the remaining cash consideration of approximately HK$13.15 million and promissory note of HK$10 million for the Shandong Acquisitions; (ii) settlement of professional fees of HK$6.6 million for the Shandong Acquisitions; and (iii) the payment of the salaries and directors fees for the amount of approximately HK$1.04 million.

On 4 August 2015, the Company also entered into subscription agreements with independent third parties, pursuant to which the Company conditionally agreed to issue 200,000,000 warrants at the issue price of HK$0.01 per warrant which entitled the holders to convert into 200,000,000 new Shares at the subscription price of HK$0.48 per Share. The subscription agreements were subsequently terminated on 11 August 2015.

Saved as disclosed above, the Company had not carried out any equity fund raising exercise in the past twelve month before the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	**Time and Date 2015**
Last day of dealing in Shares on a cum-entitlement basis	Tuesday, 29 September
First day of dealing in Shares on an ex-entitlement basis	Wednesday, 30 September
Latest time for lodging transfer of Shares in order to qualify for the Open Offer	4:30 p.m. on Friday, 2 October
Register of members of the Company closes	Monday, 5 October to Friday, 9 October
Record Date to determine entitlements under the Open Offer	Friday, 9 October
Register of members of the Company re-opens	Monday, 12 October
Despatch of the Prospectus Documents	Monday, 12 October
Latest Time for Acceptance of and payment for the Offer Shares	4:00 p.m. on Tuesday, 27 October
Latest Time for Termination of the Underwriting Agreement	4:00 p.m. on Friday, 30 October
Announcement of results of the Open Offer to be published on the Stock Exchange website	Wednesday, 4 November
Despatch of certificates for the Offer Shares and/or refund of cheques if the Open Offer is terminated	Thursday, 5 November
First day of dealing in the Offer Shares	9:00 a.m. on Friday, 6 November
Designated broker starts to stand in the market to provide matching service for odd lots of Shares	9:00 a.m. on Friday, 6 November
Designated broker ceases to stand in the market to provide matching service for odd lots of Shares	4:30 p.m. on Friday, 27 November

Effect of bad weather on the Latest Time For Acceptance of and payment for the Offer Shares

All times in this announcement refer to Hong Kong time. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Tuesday, 27 October 2015, being the date of the Latest Time For Acceptance:

(i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or

(ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates or deadlines stated in this announcement for events in the timetable are indicative only and may be extended or varied between the Company and the Underwriter. Any changes to the anticipated timetable for the Open Offer will be announced as and when appropriate.

GENERAL

As the Open Offer will not increase the issued share capital or the market capitalization of the Company by more than 50% within twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial Shareholder or an associate of any of them, pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is not subject to any Shareholders' approval.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders (and for their information only, to the Excluded Shareholders, if any) on Monday, 12 October 2015.

WARNING

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be traded on an ex-entitlement basis commencing from Wednesday, 30 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or potential investor dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be on 4:00 p.m. on Friday, 30 October 2015) will bear the risk that the Open Offer does not become unconditional and does not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

"Application Form"	the form of application in respect of the Open Offer
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"Business Day"	a day, other than Saturday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. on which banks generally are open for business in Hong Kong
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Kingwell Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1195)
"Completion"	completion of the Open Offer
"Convertible Preferred Shares"	3,000,000 convertible preferred shares issued by the Company, which is convertible into 10,000,000 new Share at the conversion price of HK$0.3 per Share
"Convertible Preferred Shares Holder"	Holder of the Convertible Preferred Shares
"Director(s)"	the director(s) of the Company

"Excluded Shareholders"	the Overseas Shareholders (if any) whom the Board, based on legal opinions provided by legal advisers if the Board considers it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Ltd
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Last Trading Day"	8 September 2015, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 27 October 2015 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the Offer Shares
"Latest Time for Termination"	4:00 p.m. on Friday, 30 October 2015 or such later time to be agreed between the Company and the Underwriter, being the latest time for the Underwriter to terminate the Underwriting Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Hui"	Mr. Hui Lung Hing, an executive Director and a substantial Shareholder, holding 250,000,000 Shares and 8,000,000 Share Options
"Mr. Sze"	Mr. Sze Ming Yee, an executive Director and a substantial Shareholder and the beneficially owner of Union Day
"Mr. Yin"	Mr. Yin Jia Tang, a substantial Shareholder holding 144,866,667 Shares and 5,000,000 Share Options

"Offer Share(s)"	288,409,173 new Shares to be issued by the Company pursuant to the Open Offer
"Open Offer"	the proposed issue of the Offer Shares by way of open offer on the basis of one (1) Offer Share for every nine (9) Shares held on the Record Date to the Qualifying Shareholders at the Subscription Price of HK$0.16 per Offer Share
"Overseas Shareholder(s)"	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company at the close of business on the Record Date) which is/are outside Hong Kong
"PRC"	the People's Republic of China but excluding, for the purposes of the Open Offer, Hong Kong, Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus to be issued by the Company in relation to the Open Offer
"Prospectus Documents"	the Prospectus and the Application Form
"Prospectus Posting Date"	12 October 2015 or such later date as may be agreed between the Company and the Underwriter, being the date of despatch of Prospectus Documents
"Qualifying Shareholder(s)"	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
"Record Date"	9 October 2015 (or such other date as may be agreed between the Company and the Underwriter to determine entitlements of the Open Offer)
"SFO"	the Securities and Futures Ordinance
"Share(s)"	ordinary share(s) of nominal value of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company

"Share Options"	the outstanding Share Options entitling the holders thereof to subscribe for 49,796,000 Shares at the exercise price of HK$0.61 per Share and 102,300,000 Shares at the exercise price of HK$0.582 per Share respectively
"Share Options Holders"	Holders of the Share Options
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.16 per Offer Share
"Undertaken Offer Shares"	an aggregate of 82,293,910 Offer Shares, which Union Day, Mr. Hui and Mr. Yin are entitled to subscribe under the Open Offer. Each of Mr. Sze (ultimate beneficial owner of Union Day), Mr. Hui and Mr. Yin has undertaken to the Company that relevant Offer Shares under the Open Offer will be duly subscribed in full in accordance with their respective entitlement
"Underwriter"	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
"Underwriting Agreement"	the underwriting agreement date 8 September 2015 entered into between the Company and the Underwriter in relation to the Open Offer
"Underwritten Shares"	the Offer Shares (excluding the Undertaken Offer Shares), being not less than 206,115,263 Offer Shares, to be underwritten by the Underwriter pursuant to the Underwriting Agreement

"Union Day"	Union Day Group Limited, a company incorporated in the British Virgin Islands with limited liability holding 345,778,539 Shares and beneficially owned as to 72% by Mr. Sze
"%"	per cent.

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

Hong Kong, 8 September 2015

As at the date of this announcement, the Board comprises Mr. Hui Lung Hing, 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.