KINGDOM

KINGDOM HOLDINGS LIMITED
金達控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 528)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Reference is made to the annual report published by Kingdom Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") on 23 April 2018 for the year ended 31 December 2017 (the "**Annual Report**").

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Annual Report, on 30 June 2017, Zhejiang Jinda Flax Co., Ltd. ("**Zhejiang Jinda**") and Zhejiang Jinyuan Flax Co., Ltd. ("**Zhejiang Jinyuan**"), both indirect wholly-owned subsidiaries of the Company, entered into a purchase agreement (the "**Photovoltaic Electricity Purchase Agreement**") with 浙江昱源光伏有限公司 ("**Zhejiang Yuyuan**"), pursuant to which Zhejiang Jinda and Zhejiang Jinyuan agreed to purchase electricity from Zhejiang Yuyuan for electricity generated from the photovoltaic electricity system owned, managed and operated by Zhejiang Yuyuan for a term of three years commenced from 1 July 2017 and ending on 30 June 2020, at an annual cap of no more than RMB3,500,000 per year. Mr. Ren Weiming, who ultimately controls the Group, also has a controlling equity interest over Zhejiang Yuyuan. Zhejiang Yuyuan is therefore a connected person of the Company, and the entering of the Photovoltaic Electricity Purchase Agreement is a continuing connected transaction of the Company, under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") would like to supplement that, pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the work performed, the auditor of the Company confirmed to the Board that the aforesaid continuing connected transactions:

(i) have been approved by the Board;

(ii) are in accordance with the pricing policy of the Group;

(iii) have been entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(iv) have not exceeded the relevant cap allowed by the Stock Exchange.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions of the Group.

By Order of the Board of
Kingdom Holdings Limited
Ren Weiming
Chairman

Zhejiang, 23 July 2018

As at the date of this announcement, the executive Directors are Mr. Ren Weiming, Mr. Shen Yueming, Mr. Zhang Hongwen and Ms. Shen Hong; the non-executive Director is Mr. Ngan Kam Wai Albert; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao.