KINGDOM

KINGDOM HOLDINGS LIMITED
金達控股有限公司

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Kingdom (Cayman) Limited")

(Stock Code: 528)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by Kingdom Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors ("**Directors**") of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board and the preliminary assessment of the Group's unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2020, the Company expects that there will be a net loss of not more than RMB22 million for the year ending 31 December 2020 as compared to a net profit of RMB155,765,000 for the year ended 31 December 2019. The expected net loss for the year ending 31 December 2020 is primarily attributable to (1) the COVID-19 pandemic has affected the United States and European markets in particular, resulting in weak demand and lower prices for linen yarn; (2) suspension of capitalisation of the borrowing costs due to the interruption of the Ethiopia project resulting from the COVID-19 pandemic in accordance with the requirements of "International Accounting Standard (IAS) 23 Borrowing Costs"; and (3) the continuous depreciation of United States Dollar against the Renminbi in 2020.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2020, which have not been confirmed or reviewed by the Company's auditors or the audit committee of the Company. The actual results of the Group for the year ending 31 December 2020 may differ from what is disclosed in this announcement. Detailed financial results of the Group for the year ending 31 December 2020 will be disclosed in the annual results announcement of the Company which is expected to be published in March 2021.

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

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

Zhejiang, 18 December 2020

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