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# 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 (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2024, the Company expects that the Group will record a loss for the year ended 31 December 2024 as compared to a net profit of RMB162,790,000 for the year ended 31 December 2023.

The expected loss is primarily attributable to the significant increase in global flax cultivation areas across various regions suitable for flax growth, driven by the sharp rise in raw material prices over the past few years. Farmers expanded their planting areas in anticipation of profiting from the price surge. However, with the abundant flax harvest in 2024, the supply of flax fiber has increased substantially. Due to changes in supply and demand dynamics, both raw material prices and flax yarn prices experienced significant volatility in the last quarter of 2024. Specifically, during the final quarter of 2024, the market price of raw materials dropped by more than 50%, while the market price of flax yarn declined by over 30%. In light of these market conditions and the Group’s prudent accounting principles, a preliminary assessment indicates that the Group expects to recognize an inventory impairment provision of approximately RMB200,000,000 as of 31 December 2024.

The Board believes that although the substantial inventory impairment provision will have a short-term adverse impact on the Group's performance, the reasonable decline in raw material prices will benefit a healthy and sustainable development of the industry. The price adjustment will help stimulate downstream demand and promote a balanced long-term supply-demand relationship in the industry. The Group's management remains optimistic about the long-term development prospects of the flax industry and will actively respond to market changes, seize industry development opportunities, and enhance operational efficiency to achieve more stable growth following the industry's adjustment period.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the information currently available to it, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2024, 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 ended 31 December 2024 may differ from what is disclosed in this announcement. Detailed financial results of the Group for the year ended 31 December 2024 will be disclosed in the Company's annual results announcement, which is expected to be published in March 2025.

**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, 6 February 2025

*As at the date of this announcement, the executive Directors are Mr. Ren Weiming, Mr. Shen Yueming, Mr. Zhang Hongwen and Mr. Ren Zhong; the non-executive Director is Mr. Ngan Martin; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Yan Jianmiao, Ms. Zhang Chan and Mr. Fan Lei.*