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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)

VOLUNTARY ANNOUNCEMENT
OPERATIONAL UPDATE

This announcement is made by the board of directors (the “**Board**”) of Kingdom Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in relation to certain updates of the Group’s operations.

Amid the recent outbreak of the coronavirus disease 2019 (COVID-19) in Mainland China (the “**Epidemic**”), the Chinese government has implemented various emergency measures with an objective to contain the spread of the coronavirus. Among others, the resumption of the operations of factories and offices in Mainland China after the Chinese New Year has been inevitably delayed, which has caused general disruptions in the supply chain and production across the country.

As a result of the Epidemic, the Group’s operation has been affected in the following aspects:

1. The Chinese government has stipulated that the commencement date of work after the Chinese New Year be postponed from 3 February 2020 to 10 February 2020. Moreover, traffic and crowd controls were implemented to reduce the spread of the Epidemic, resulting in only partial operation of the Group’s factories have resumed work. Operation of the Group’s factories with full capacity is expected to resume on or about the first half of March 2020.

2. The new factory in Ethiopia originally planned to start trial production in early February 2020. Due to the impact of the Epidemic, it is considered responsible to Ethiopian employees and to cooperate with Ethiopia's control measures for the Epidemic. The secondment of more than 100 Chinese operation technicians to Ethiopia originally scheduled in early February 2020 have been postponed to mid-March 2020 to facilitate the trial production of the new factory and to provide training to Ethiopian workers on various operating skills.
3. Due to disruption of production by Chinese suppliers in the supply chain, it cannot be ruled out that some brands in Europe and the United States have begun to adjust their supply chain and transferred some garment orders from China to Turkey, India and Southeast Asian countries and regions.
4. The Group is committed to fighting the Epidemic and cooperating with the government to take various preventive and control measures. In February 2020, the Group donated RMB1 million to the Charity Federation to provide support the area affected by the Epidemic to fight against the novel coronavirus.
5. Looking ahead, the Group believes that the occurrence of the Epidemic will further aggravate people's awareness of environmental protection and health protection. Flax and hemp fiber, a natural fiber with antibacterial and bacteriostatic properties, will receive more attention from the market and gain consumer favor. The Group is confident about the prospects for further market development.

To foster timely communications with the Company's stakeholders, particularly the investment community, the Company will issue further announcement(s) regarding any material operational update of the Group as and when appropriate.

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, 20 February 2020

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.