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)

DISCLOSEABLE TRANSACTION

ENGINEERING, PROCUREMENT AND CONSTRUCTION CONTRACT FOR THE NEW LINEN YARN PROJECT IN EGYPT

THE MASTER AGREEMENT

The Board is pleased to announce that on 24 October 2025, after an open tender process, Zhejiang Jinyuan, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with Zhejiang Haichen, pursuant to which Zhejiang Haichen shall act as general contractor and provide the Procurement Services and the Management Services for the development of the Project at a total consideration of RMB72,000,000 including contract price of RMB70,000,000 and incentive bonus of RMB2,000,000.

As contemplated under the Master Agreement, Kingdom Linen, an indirect subsidiary of Zhejiang Jinyuan and a 1% directly owned and 99% indirectly owned subsidiary of the Company, entered into the Procurement & Installation Contract with Hangzhou Lixuan in relation to the Procurement Services and the Construction & Project Management Contract with Haichen Egypt in relation to the Management Services respectively. These sub-contracts are further elaborations on the relevant procurement, engineering and construction aspects of the Project based on the principles, guidelines, terms and conditions set out in the Master Agreement. The rights, obligations and responsibilities of the contractors stipulated in the Master Agreement have equal effect on each of the above three Contractors, namely Zhejiang Haichen, Hangzhou Lixuan and Haichen Egypt.

LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Master Agreement (together with the Procurement & Installation Contract, the Construction & Project Management Contract and the incentive payments) and the transactions contemplated thereunder, are more than 5% but less than 25%, the transactions contemplated thereunder the Master Agreement (together with the Procurement & Installation Contract, the Construction & Project Management Contract and the incentive payments) constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

ENGINEERING, PROCUREMENT AND CONSTRUCTION CONTRACT FOR THE NEW LINEN YARN PROJECT IN EGYPT

The Board is pleased to announce that on 24 October 2025, after an open tender process, Zhejiang Jinyuan, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with Zhejiang Haichen, pursuant to which Zhejiang Haichen shall act as general contractor and provide the Procurement Services and the Management Services for the development of the Project at a total consideration of RMB72,000,000 including contract price of RMB70,000,000 and incentive bonus of RMB2,000,000.

The principal terms of the Master Agreement as supplemented by the Procurement & Installation Contract and the Construction & Project Management Contract are summarized below:

(A) The Master Agreement

On 24 October 2025, Zhejiang Jinyuan, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with Zhejiang Haichen, pursuant to which Zhejiang Haichen shall act as general contractor and provide the Procurement Services and the Management Services for the development of the Project at a total contract price of RMB70,000,000. Together with the early completion of project incentive bonus of RMB2,000,000 (see incentive terms below), the aggregate contract price of the Project is RMB72,000,000.

As contemplated under the Master Agreement, Kingdom Linen, an indirect subsidiary of Zhejiang Jinyuan and a 1% directly owned and 99% indirectly owned subsidiary of the Company, entered into the Procurement & Installation Contract with Hangzhou Lixuan in relation to the Procurement Services and the Construction & Project Management Contract with Haichen Egypt in relation to the Management Services respectively. These sub-contracts are further elaborations on the relevant procurement, engineering and construction aspects of the Project based on the principles, guidelines, terms and conditions set out in the Master Agreement. The rights, obligations and responsibilities of the contractors stipulated in the Master Agreement have equal effect on each of the above three Contractors, namely Zhejiang Haichen, Hangzhou Lixuan and Haichen Egypt.

Lump Sum Price determination mechanism

A provisional contract price of RMB70,000,000 under the Master Agreement was agreed based on the tender construction drawings and related documents attached to the Master Agreement.

There is a 90-day price finalization period from the date of signing the Master Agreement. During this period, Zhejiang Jinyuan and Kingdom Linen (collectively the "**Customer**") is responsible for providing the final construction drawings (the "**Final Drawings**"); the Contractors are responsible for completing detailed calculations of all work quantities based on the Final Drawings.

Before the expiration of the price finalization period, the Customer and the Contractors shall complete a verification and determine the agreed lump sum price based on the calculation results and the applicable unit prices in the Contractors' bid documents.

The agreed lump sum price, once confirmed in writing by both parties, will replace the provisional contract price and become the final lump sum price for the Final Drawings for the Project (the "**Lump Sum Price**"). The Lump Sum Price covers all the work included in the Final Drawings.

Construction period

The expected commencement date and completion date are 24 October 2025 and 15 September 2026 respectively.

Incentive terms & delay damages

Early completion bonus: If the Contractors achieve all of the contractual completion standards and the results are confirmed by the Customer before the completion date of 15 September 2026, the Customer will provide the Contractors with a one-time bonus of RMB1,000,000. Furthermore, for each day of early completion achieved, the Customer will provide the Contractors with an additional bonus of RMB20,000 per day, capped at RMB1,000,000.

Delay damages: If the Contractors fail to complete the work on time, the Contractors will pay the Customer a delay damages of 0.05% of the total contract price (RMB70,000,000) for each day of delay, up to a maximum of 10% of the total contract price.

Warranty terms

The Contractors will provide an unconditional bank guarantee on demand of RMB7,000,000 and a "Personal Joint Liability Guarantee Contract" to be signed by Mr. Zhu Jianghai, the ultimate beneficiary of Zhejiang Haichen, the general contractor under the Master Agreement.

(B) Procurement & Installation Contract

Date

24 October 2025

Parties

(a) Kingdom Linen, an indirect subsidiary of Zhejiang Jinyuan and a 1% directly owned and 99% indirectly owned subsidiary of the Company

(b) Hangzhou Lixuan, a company established in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hangzhou Lixuan and its ultimate beneficial owner are Independent Third Parties.

Scope of Services

Pursuant to the Procurement & Installation Contract, Hangzhou Lixuan agreed to procure for all building materials, equipment, machinery and tools to be transported from the PRC to the Project in Egypt for the purpose of the civil works, steel structure works, mechanical and electrical installation works and fine decoration engineering works of the Project (collectively, the "**Procurement Services**").

Contract Price and Payment Schedule

The total contract price for the Procurement Services under the Procurement & Installation Contract is RMB51,000,000, which was determined between Kingdom Linen and Hangzhou Lixuan upon arm's length negotiation with reference to the open tenders received and prevailing market price of the relevant materials, equipment and tools and estimated costs of similar services to be provided by Hangzhou Lixuan, and the tax exemption for the Project. The payments may be made in RMB or USD, and if made in USD, the exchange rate shall be determined based on the USD selling rate published by the Bank of China on the payment date.

The contract price is fixed and Hangzhou Lixuan will bear the risks brought by the changes in equipment costs, material costs, machinery costs and costs fluctuation. If changes in relation to the scope of the Procurement Services is requested by Kingdom Linen, the total contract price will be adjusted based on the changes and alternation upon further negotiation between the parties. Materials and equipment shall be delivered to the project site per construction progress. All freight charges, loading/unloading expenses and related logistics costs shall be borne solely by Hangzhou Lixuan.

Progress payments shall be payable within 10 days with reference to the progress of the development of the Project as follows:

	Progress milestone	Amount payable
(1)	After signing the contract	RMB15,000,000
(2)	Completion of perimeter walls (excluding coatings) of the factory	RMB4,000,000
(3)	Completion of main workshop foundations	RMB3,000,000
(4)	Completion of main workshop steel structures	RMB5,000,000
(5)	Completion of main workshop roofing and wall cladding	RMB6,000,000
(6)	Completion of main workshop flooring	RMB7,000,000
(7)	Completion of outdoor engineering (pipe network, road, drainage ditch), mechanical and electrical engineering, decoration engineering, secondary distribution engineering and system commissioning	RMB6,000,000
(8)	Upon Project acceptance	RMB4,000,000
(9)	Retention – after 3 years	RMB1,000,000

Kingdom Linen intends to fund the contract price for the Procurement Services by internal resources and bank loans.

(C) Construction & Project Management Contract

Date

24 October 2025

Parties

(a) Kingdom Linen, an indirect subsidiary of Zhejiang Jinyuan and a 1% directly owned and 99% indirectly owned subsidiary of the Company

(b) Haichen Egypt, an entity under the control of Zhejiang Haichen

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Haichen Egypt and its ultimate beneficial owners are Independent Third Parties.

Scope of Services

The project is located in the Sadat Industrial Zone, Egypt, with a total construction area of 26,611.25 square meters. It includes: outdoor roads, perimeter walls, retaining walls, earthworks, unloading platforms, truck scales, outdoor stormwater/sewage wells; and building structures, including production workshop, warehouse, chemical storage, boiler room, gatehouse, wastewater treatment and firewater tank.

Pursuant to the Construction & Project Management Contract, Haichen Egypt agreed to provide engineering construction, project management, local materials, installation, commissioning, acceptance and engineering quality warranty during the warranty period for the Project (collectively, the "**Management Services**").

The expected commencement date and completion date are 24 October 2025 and 15 September 2026 respectively.

Contract Price and Payment Schedule

The total contract price for the Management Services under the Construction & Project Management Contract is RMB19,000,000, which was determined between Kingdom Linen and Haichen Egypt upon arm's length negotiation with reference to the open tenders received and prevailing market price and estimated costs of similar services to be provided by Haichen Egypt. The payments may be made in RMB or USD, and if made in USD, the exchange rate shall be determined based on the USD selling rate published by the Bank of China on the payment date.

Progress payments shall be payable within 10 days with reference to the progress of the development of the Project as follows:

	Progress milestone	**Amount payable**
(1)	After signing the contract	RMBNil
(2)	Completion of perimeter walls (excluding coatings) of the factory	RMB2,000,000
(3)	Completion of main workshop foundations	RMB1,000,000
(4)	Completion of main workshop steel structures	RMB3,000,000
(5)	Completion of main workshop roofing and wall cladding	RMB4,000,000
(6)	Completion of main workshop flooring	RMB4,000,000
(7)	Completion of outdoor engineering (pipe network, road, drainage ditch), mechanical and electrical engineering, decoration engineering, secondary distribution engineering and system commissioning	RMB2,000,000
(8)	Upon Project acceptance	RMB2,000,000
(9)	Retention – after 1 year	RMB1,000,000

Kingdom Linen intends to fund the contract price for the Management Services by internal resources and bank loans.

INFORMATION ON THE PROJECT

The Project is a high-grade linen yarn project of Kingdom Linen with 3,800 tons annual output located at Sadat Industrial Zone, Manufiya Governorate, Egypt with a total construction area of 26,611.25 square metres. It is intended to be used by Kingdom Linen to manufacture linen yarn.

REASONS FOR ENTERING INTO THE MASTER AGREEMENT

The Group is the leading exporter of linen yarn in the PRC and the Group intends to further expand its production capacity to meet the market demand for hemp and flax linen yarn in view of the current upward trend of the hemp and flax linen industry.

Egypt is one of the Group's key strategic development geographical regions. The Project is expected to generate savings on land lease, labour and energy for the Group's linen production. Further, based on the current applicable tax policy in Egypt, it is expected that the Project will be able to enjoy certain tax benefits and the possibility for exemption of quota and custom duty for exports of linen yarn manufactured in Egypt to European Union countries, Accordingly, it is expected that with the Project and the linen yarn production thereon being in order, the long term return for the Group will be enhanced.

Zhejiang Haichen has provided similar project management services and was selected based on the open tender process.

Accordingly, the Directors consider that the terms of the transaction contemplated under the Master Agreement together with the Procurement & Installation Contract and Construction & Project Management Contract as sub-contracts thereunder are normal commercial terms that are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE PARTIES

The Group is principally engaged in the manufacture and sale of linen yarn. It is the leading exporter of linen yarn in the PRC.

Zhejiang Jinyuan is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

Kingdom Linen is a company established in Egypt and principally engaged in the manufacture of linen yarn. As at the date of this announcement, it is 1% directly-owned and 99% indirectly owned subsidiary of the Company.

Zhejiang Haichen is a company established in the PRC with limited liability and is a mid-size engineering design institute in the PRC. Hangzhou Lixuan is a company established in the PRC with limited liability and is a trading company for the procurement of the buildings materials. Haichen Egypt is a company established in Egypt and is principally engaged in design and construction management services in Egypt. As at the date of this announcement and to the best knowledge and beliefs of the Directors, each of Zhejiang Haichen, Hangzhou Lixuan and Haichen Egypt is controlled and/or beneficially owned by Mr. Zhu Jianghai (朱江海先生), an Independent Third Party.

LISTING RULES IMPLICATION

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Master Agreement (together with the Procurement & Installation Contract, the Construction & Project Management Contract and the incentive payments) and the transactions contemplated thereunder, are more than 5% but less than 25%, the transactions contemplated thereunder the Master Agreement (together with the Procurement & Installation Contract, the Construction & Project Management Contract and the incentive payments) constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"associate(s)"	shall have meaning ascribed to it under the Listing Rules
"Board"	The board of Directors
"Company"	Kingdom Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 528)
"connected person(s)"	shall have meaning ascribed to it under the Listing Rules
"Construction & Project Management Contract"	the contract dated 24 October 2025 entered into by and between Kingdom Linen and Haichen Egypt in relation to the Management Services as a sub-contract under the Master Agreement
"Contractors"	each of Zhejiang Haichen, Hangzhou Lixuan and Haichen Egypt which have joint and several rights, obligations and responsibilities of the contractors as stipulated in the Master Agreement
"Directors"	the director(s) of the Company
"Egypt"	the Arab Republic of Egypt
"Group"	the Company and its subsidiaries

"Haichen Egypt"	Zhejiang Haichen Egypt Co, a company incorporated in Egypt and is controlled by Zhejiang Haichen as at the date of this announcement
"Hangzhou Lixuan"	Hangzhou Lixuan Trading Co., Ltd. * (杭州力宣貿易有限公司), a trading company established in the PRC with limited liability
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party/ Parties"	third party/parties that are independent of the Company and the connected persons of the Company
"Kingdom Linen"	Kingdom Linen, a company incorporated in Egypt and 1% directly owned by the Company and remaining 99% indirectly owned by subsidiaries of the Company
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Management Services"	has the meaning ascribed to it under the paragraph headed "(C) Construction & Project Management Contract" in this announcement
"Master Agreement"	the agreement dated 24 October 2025 entered into by and between Zhejiang Jinyuan and Zhejiang Haichen in relation to the Procurement Services and Management Services for the development of the Project
"PRC"	the People's Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

"Procurement & Installation Contract"	the contract dated 24 October 2025 entered into by and between Kingdom Linen and Hangzhou Lixuan in relation to the Procurement Services as a sub-contract under the Master Agreement
"Procurement Services"	has the meaning ascribed to it under the paragraph headed "(B) Procurement & Installation Contract" in this announcement
"Project"	a high-grade line yarn project of Kingdom Linen with 3,800 tons annual output located at Sadat Industrial Zone, Manufiya Governorate, Egypt with a total construction area of 26,611.25 square metres
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	share(s) of HK$0.01 each of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States Dollar, the lawful currency of the United States of America
"Zhejiang Haichen"	Zhejiang Haichen Construction Co., Ltd.*（浙江海宸建設有限公司）, a company established in the PRC with limited liability

“Zhejiang Jinyuan”	Zhejiang Jinyuan Flax Co., Ltd.*（浙江金元亞麻有限公司）, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

* *For identification purpose only*

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

Zhejiang, the People’s Republic of China, 24 October 2025

As at the date of this announcement, the executive Directors of the Company are Mr. REN Weiming, Mr. SHEN Yueming, Mr. ZHANG Hongwen, Mr. REN Zhong and Mr. TANG Tianheng; the non-executive Director of the Company is Mr. NGAN Martin; and the independent non-executive Directors of the Company are Mr. LAU Ying Kit, Ms. ZHANG Chan and Mr. FAN Lei.