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KFM KINGDOM HOLDINGS LIMITED
KFM金德控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3816)

POSITIVE PROFIT ALERT ANNOUNCEMENT

This announcement is made by KFM Kingdom Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the (i) announcements of the Company dated 22 January 2020, 31 January 2020 and 13 March 2020; (ii) circular of the Company dated 6 March 2020 in relation to, among others, the disposal ("**Disposal**") of the entire issued share capital of KFM Group Limited; and (iii) the annual results announcement ("**2020 Annual Results**") of the Company for the year ended 31 March 2020 ("**FY2020**").

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company and the potential investors that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated results of the Group for the year ended 31 March 2021 ("**FY2021**"), it is expected that the Group will record a net profit of approximately HK$19.0 million for FY2021, as compared to the net profit of approximately HK$0.6 million for FY2020. Such improvement in the financial performance of the Group was mainly attributable to (i) the absence of loss on disposal of subsidiaries for FY2021, unlike a loss of approximately HK$26.8 million being recorded as a result of the Disposal as disclosed in the 2020 Annual Results; (ii) an increase in revenue derived from the metal stamping segment since the Group experienced an increase in number of orders mainly from customers in the network and data storage industry, due to the larger widespread of digitalisation after the outbreak of COVID-19, partially offset by a decrease in revenue derived from the metal lathing segment due to a decrease in number of orders mainly from customers in the consumer electronics industry.

The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for FY2021 and the information currently available to the Company. The information contained in this announcement is neither based on any figure nor information that has been audited or reviewed by the external auditors of the Company. The Group's actual results for FY2021 will be audited by the Company's auditors prior to finalisation. Therefore, the actual results of the Group for FY2021 may differ from the information contained in this announcement.

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

By order of the Board
KFM Kingdom Holdings Limited
Mr. Zhang Haifeng
Chairman and non-executive Director

Hong Kong, 17 May 2021

As at the date of this announcement, the Board comprises (1) Mr. Zhang Haifeng as a non-executive Director (Chairman); (2) Mr. Sun Kwok Wah Peter and Mr. Wong Chi Kwok as executive Directors; and (3) Mr. Wan Kam To, Ms. Zhao Yue and Mr. Shen Zheqing as independent non-executive Directors.