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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)

INSIDE INFORMATION

IMPACT OF THE OUTBREAK OF COVID-19 ON BUSINESS OPERATIONS IN SUZHOU

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

IMPACT ON THE BUSINESS OPERATIONS IN SUZHOU

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that due to the recent outbreak of the novel coronavirus pneumonia (“**COVID-19**”) in Suzhou, the government of the People’s Republic of China had implemented a series of pandemic measures in Suzhou, including but not limited to a partial shutdown of the industrial park of Suzhou and over 10 highway entrances into the city. As a result of the pandemic measures, the operations of one of the Group’s major customers (“**Major Customer**”) has been temporarily suspended (“**Suspension**”) from the middle of this week. The Group is currently liaising with the Major Customer with respect to matters such as, whether purchase orders and/or products delivery schedule would be required to be revised. For the six months ended 30 September 2021, revenue derived from the Major Customer contributed approximately 9% of the total revenue of the Group’s metal stamping segment. The Board expects that the Suspension may have an adverse impact on the Group’s delivery of products, and thus on the sales of the Group for the year ending 31 March 2022. In addition, the Group’s production capacity has also been affected to a certain extent since some of the workers have been unable to return to the Group’s factories in Suzhou as a result of the pandemic measures.

As there are still uncertainties about the government policies and the development of epidemic, the actual impact of the Suspension to the Group is still unknown as at the date of this announcement. The Board will continue to monitor closely the development of the COVID-19 outbreak and market conditions, and assess the impact of the COVID-19, including the suspension, on the Group's business operations and financial conditions.

The Company will publish further announcement(s) on the Suspension, including its impact on the Group (if any), as and when appropriate in accordance with the Listing Rules.

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

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

Hong Kong, 18 February 2022

As at the date of this announcement, the Board comprises (1) Mr. Zhang Haifeng as a non-executive Director; (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.