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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 AS A RESULT OF LOCKDOWN IN SHANGHAI**

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 Future Ordinance (Cap. 571 of the Laws of Hong Kong).

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 Shanghai, the government of the People’s Republic of China had implemented lockdown measures to restrict the movement in Shanghai (the “**Lockdown Measures**”) as a way to contain the spread of COVID-19 therein. Based on the preliminary information available, the Lockdown Measures have been extended beyond the date of this announcement subject to further updates from the Shanghai local government. As a result of the implementation of the Lockdown Measures, the operations of some of the Group’s major customers which have operations in Shanghai (“**Major Customers**”) have been temporarily suspended (“**Suspension**”) and the delivery of the Group’s products to the Major Customers in Shanghai was severely disrupted due to the suspension of major logistics services. The Board expects that the Suspension would not affect the financial performance of the Company for the year ended 31 March 2022. However, the Group is still assessing the impact of the Suspension on the financial performance of the Group for the six months ending 30 September 2022 as the Group is currently liaising with the Major Customers with respect to matters such as, whether purchase orders and/or products delivery schedule and particulars would be required to be revised. Based on the preliminary assessment of the Group and the current situation, it is expected that the Group may at least record a decrease of approximately 53% in revenue for the month ending 30 April 2022 due to the Suspension in Shanghai subject to the actual duration of the implementation of the Lockdown Measures.

Based on the current schedule of the implementation of the Lockdown Measures, the Board expects the impact on the Group's supply chain to be minimal as the Group has sufficient stocks on hand and would be able to seek alternative suppliers (if necessary) during such Suspension period. However, as there are still uncertainties about the government policies and the development of the COVID-19 epidemic, the Board will continue to monitor closely the development of the COVID-19 outbreak and the market conditions, and assess the impact of the COVID-19 outbreak, 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, 19 April 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.*