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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).

References are made to the (i) announcements of the Company dated 13 August 2021, 3 September 2021, 17 September 2021, 4 October 2021, 26 October 2021, 22 November 2021, 30 November 2021, 10 December 2021 and 20 December 2021; (ii) circular of the Company dated 15 December 2021 in relation to, among others, the disposal (“**Disposal**”) of the entire issued share capital of Kingdom (Reliance) Precision Parts Manufactory Holdings Limited (“**Target Company**”); and (iii) the interim results announcement (“**2021 Interim Results**”) of the Company dated 24 November 2021 for the six months ended 30 September 2021 (the “**2021 Interim Period**”).

As disclosed in the 2021 Interim Results, the financial performance of the Group for the 2021 Interim Period comprised both the performances of the Group’s metal stamping and the loss-making metal lathing businesses. Excluding the loss-making financial performance of the Target Company, the Group would have recorded a net profit of approximately HK\$8.1 million from its metal stamping business during the 2021 Interim Period. Upon completion of the Disposal on 20 December 2021, the Target Company was no longer a subsidiary of the Company and the financial performance thereof was no longer consolidated in the subsequent consolidated financial statements of the Group including the projected interim results for the six months ending 30 September 2022 (the “**2022 Interim Period**”).

The board (the “**Board**”) of 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, the preliminary review of the unaudited management account of the Group for the five months ended 31 August 2022 and the Board’s assessment on the current market condition for the month ending 30 September 2022, it is expected that the Group will record a net profit of not less than HK\$30.0 million for the 2022 Interim Period, as compared to the net loss of approximately HK\$65.7 million for the 2021 Interim Period. Such improvement in the financial performance of the Group was mainly attributable to (i) the Disposal; (ii) an increase in revenue for the Group’s metal stamping business (i.e. the continuing operations) derived from the increase in demand from the customers in the network and data storage industry; and (iii) the depreciation of Renminbi against United States dollars during the 2022 Interim Period.

The Company is in the process of finalising the interim results of the Group for the 2022 Interim Period. The information contained in this announcement is only based on the information currently available to the Board, the Board’s preliminary assessment after reviewing the unaudited management account of the Group for the five months ended 31 August 2022 and the Board’s assessment on the current market condition for the month ending 30 September 2022. The Group’s interim results are subject to changes in the market condition for the month ending 30 September 2022 and further review by the Board and the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for the 2022 Interim Period may be different from what is disclosed 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, 21 September 2022

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