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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 interim results announcement (“**Interim Results Announcement**”) of the Company dated 25 November 2022 for the six months ended 30 September 2022 (the “**Interim Period**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Interim Results Announcement.

As disclosed in the Interim Results Announcement, the financial performance of the Group for the Interim Period improved significantly by recording a net profit of approximately HK\$33.0 million, instead of the net loss of approximately HK\$65.7 million for the six months ended 30 September 2021. 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 continuing business, i.e. metal stamping business, 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 Interim Period.

The Board wishes to inform the shareholders of the Company and the potential investor that, based on the information currently available to the Company, the preliminary review of the unaudited consolidated management account of the Group for the ten months ended 31 January 2023 and the Board's assessment on the current market condition for the two months ending 31 March 2023, it is expected that the Group would continue to be profit-making for the year ending 31 March 2023 (the "FY2023") with a net profit ranging between HK\$20 million and HK\$30 million for FY2023, as compared to the net loss of approximately HK\$48.0 million (taking into account of discontinued operations from the Disposal) or a net profit of HK\$13.3 million (without taking into account of discontinued operations from the Disposal) for the year ended 31 March 2022. Such expected improvement in the financial performance of the Group for FY2023 is mainly attributable to the similar reasons resulted for the improvement in the financial performance of the Group during the Interim Period, i.e. (i) the Disposal; (ii) an increase in other gains due to depreciation of Renminbi against United States dollars during FY2023; and (iii) an increase in sales of the network and data storage industry.

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 consolidated management account of the Group for the ten months ended 31 January 2023 and the Board's assessment on the current market condition for the two months ending 31 March 2023. The Group's annual results for FY2023 are subject to changes in the market for the two months ending 31 March 2023 and further review by the Board, and will be audited by the Company's auditor and reviewed by the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for FY2023 may be different from what is disclosed in this announcement. The shareholders and potential investors of the Company are advised to refer to the details of the annual results announcement of the Company for FY2023, which will be released on or before 30 June 2023.

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, 28 February 2023

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.