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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025 AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of KFM Kingdom Holdings Limited (the “**Company**”) hereby (I) announces the consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 March 2025 (the “**Year**”) prepared in accordance with relevant requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), together with the comparative figures for the year ended 31 March 2024; and (II) proposes to amend the existing amended and restated articles of association of the Company to reflect, among others, (i) the expanded paperless listing regime; (ii) online participation at general meetings and voting by shareholders by electronic means; (iii) the new treasury shares regime; (iv) other housekeeping amendments; and (v) adjusted numbering of certain provisions in the articles of association as a result of the aforesaid amendments.

For and on behalf of
KFM KINGDOM HOLDINGS LIMITED
SUN KWOK WAH PETER
Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the executive Directors are Mr. Sun Kwok Wah Peter (Chairman) and Mr. Wong Chi Kwok; and the independent non-executive Directors are Mr. Wan Kam To, Ms. Cheng Yuan Ting Cana and Mr. Chan Ming Sun Jonathan.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	757,546	589,904
Cost of sales		(620,267)	(482,641)
Gross profit		137,279	107,263
Other gains, net	5	11,308	12,031
Distribution and selling expenses		(7,106)	(6,668)
General and administrative expenses		(98,639)	(83,741)
Finance income		3,716	9,773
Finance costs		(2,122)	(6,015)
Profit before tax	6	44,436	32,643
Income tax expenses	7	(6,439)	(9,496)
Profit for the year		37,997	23,147
Other comprehensive expense:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(7,726)	(5,467)
Total comprehensive income for the year		30,271	17,680

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the year attributable to:			
— Owners of the Company		36,329	23,238
— Non-controlling interests		1,668	(91)
		<u>37,997</u>	<u>23,147</u>
Total comprehensive income attributable to:			
— Owners of the Company		28,629	17,437
— Non-controlling interests		1,642	243
		<u>30,271</u>	<u>17,680</u>
EARNINGS PER SHARE			
— Basic and diluted (HK cents)	8	<u>6.05</u>	<u>3.87</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	242,775	256,146
Right-of-use assets		89,168	89,082
Prepayments and deposits		1,980	1,737
Total non-current assets		333,923	346,965
Current assets			
Inventories	<i>11</i>	146,061	102,855
Trade receivables	<i>12</i>	180,153	145,017
Prepayments, deposits and other receivables		29,710	23,186
Income tax recoverable		—	778
Time deposits with maturity over three months		43,000	48,000
Cash and cash equivalents		109,504	111,475
Total current assets		508,428	431,311
Total assets		842,351	778,276
EQUITY			
Capital and reserves			
Share capital	<i>13</i>	60,000	60,000
Share premium	<i>13</i>	26,135	26,135
Reserves		468,249	444,420
Equity attributable to owners of the Company		554,384	530,555
Non-controlling interests		69,265	72,243
Total equity		623,649	602,798

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		5,292	3,949
Deferred income tax liabilities		2,093	3,531
Total non-current liabilities		7,385	7,480
Current liabilities			
Trade and other payables	14	128,235	113,907
Lease liabilities		5,705	4,589
Bank borrowings		75,600	49,500
Income tax liabilities		1,777	2
Total current liabilities		211,317	167,998
Total liabilities		218,702	175,478
Total equity and liabilities		842,351	778,276
Net current assets		297,111	263,313
Total assets less current liabilities		631,034	610,278

NOTES

1. GENERAL INFORMATION

KFM Kingdom Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 July 2011 as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 October 2012. The address of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Workshop C, 31/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The immediate holding company and controlling shareholder of the Company is KIG Real Estate Holdings Limited, a company incorporated in the British Virgins Islands (the “**BVI**”).

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacturing and sales of precision metal stamping products.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”) and Malaysia whose functional currency is RMB and Malaysia ringgit respectively, the functional currency of the Company is Hong Kong dollars.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs Accounting Standards issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2024.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to Hong Kong accounting standard (“ HKAS ”) 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the new and amendments to HKFRS Accounting Standards in the current year has had no material effects on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) (the “2020 Amendments”); and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group’s liabilities.

New and Amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual period beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 — Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

4. REVENUE

Revenue represents sales of high precision metal products to external parties, excluding sales related taxes. Revenue from contracts with customers within the scope of HKFRS 15 are recognised at a point in time.

Set out below was the disaggregation of the Group’s revenue from contracts with customers:

	2025 HK\$’000	2024 <i>HK\$’000</i>
Geographical region		
South East Asia	500,376	295,408
The PRC	178,355	184,070
Europe	46,359	72,982
North America	24,156	24,374
Others	8,300	13,070
	<hr/>	<hr/>
Total	<u>757,546</u>	<u>589,904</u>

5. OTHER GAINS, NET

	2025 HK\$'000	2024 HK\$'000
Loss on disposal of property, plant and equipment	(46)	(785)
Exchange gains, net	10,460	2,597
Gain on derecognition of right-of-use assets and related lease liabilities	—	9,854
Government subsidies (<i>Note</i>)	445	236
Others	449	129
	<u>11,308</u>	<u>12,031</u>

Note:

The amounts represented the government subsidies with no unfulfilled conditions or contingencies and recognised as other gains upon receipts during the years ended 31 March 2025 and 2024.

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
Staff costs		
Directors' emoluments	6,128	6,268
Other staff:		
— salaries and other allowances	132,598	112,769
— retirement benefits scheme contributions (excluding directors)	3,544	2,924
	<u>142,270</u>	<u>121,961</u>
Auditor's remuneration		
— audit services	980	950
— non-audit services	270	270
Cost of inventories sold	619,260	482,250
Depreciation of property, plant and equipment	20,996	10,988
Depreciation of right-of-use assets	7,223	18,094
Research and development expenses	18,330	18,873

7. INCOME TAX EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax		
— The PRC	4,712	6,137
— Withholding tax	3,165	—
	<u>7,877</u>	<u>6,137</u>
Deferred income tax	(1,438)	3,359
	<u>6,439</u>	<u>9,496</u>

Income tax of the Group's entities has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the entities operate.

Below are the major tax jurisdictions that the Group operates in for the years ended 31 March 2025 and 2024.

(a) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax was made for the years ended 31 March 2025 and 2024 as there were no assessable profits generated during the years ended 31 March 2025 and 2024.

(b) The PRC enterprise income tax (the “PRC EIT”)

The PRC EIT is provided on the assessable income of the Company's PRC subsidiary, adjusted for items which are not taxable or deductible for the PRC EIT purpose. The statutory PRC EIT tax rate for the year ended 31 March 2025 is provided at the rate of 25% (2024: 25%).

A PRC subsidiary was recognised by the PRC government as “High and New Technology Enterprise” and was eligible to a preferential tax rate of 15% for a period of three calendar years.

(c) PRC dividend withholding tax

According to the Law of the PRC EIT, starting from 1 January 2008, a PRC dividend withholding tax of 10% will be levied on the immediate holding companies outside the PRC when the PRC subsidiary declare dividend out of profits earned after 1 January 2008. During the year ended 31 March 2025, a lower 5% (2024: 5%) PRC dividend withholding tax rate was adopted since the immediate holding company of the PRC subsidiary is incorporated in Hong Kong and fulfill certain requirements under the tax treaty arrangements between the PRC and Hong Kong.

8. EARNINGS PER SHARE

Basic and diluted earnings per share

	2025	2024
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>36,329</u>	<u>23,238</u>
Weighted average number of shares in issue (<i>'000</i>)	<u>600,000</u>	<u>600,000</u>
Basic and diluted earnings per share (<i>HK cents per share</i>)	<u>6.05</u>	<u>3.87</u>

Basic earnings per share for the years ended 31 March 2025 and 2024 is calculated by dividing the profit attributable to owners of the Company by 600,000,000 ordinary shares in issue during the years ended 31 March 2025 and 2024.

Diluted earnings per share is the same as basic earnings per share as the Company had no potential ordinary share in issue during the years ended 31 March 2025 and 2024.

9. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend of HK\$1.3 cents per share in respect of the year ended 31 March 2025 has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

During the reporting period, the Board proposed a final dividend of HK\$0.8 cents per share in respect of the year ended 31 March 2024. The final dividend was declared in August 2024 and the final dividend of HK\$4,800,000 for the year ended 31 March 2024 was paid in September 2024.

10. PROPERTY, PLANT AND EQUIPMENT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 April	256,146	49,671
Additions	9,010	37,709
Acquired on acquisition of subsidiaries	—	175,569
Transaction costs capitalised	—	7,734
Disposals	(256)	(1,083)
Depreciation	(20,996)	(10,988)
Exchange differences	<u>(1,129)</u>	<u>(2,466)</u>
At 31 March	<u>242,775</u>	<u>256,146</u>

11. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	67,226	54,163
Work in progress	16,966	11,087
Finished goods	61,869	37,605
	<u>146,061</u>	<u>102,855</u>

12. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables (<i>Note (a)</i>)		
— third parties	<u>180,153</u>	<u>145,017</u>

As at 1 April 2023, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$110,847,000.

The Group did not hold any collaterals over these balances.

Note:

- (a) The Group normally grants credit periods of 30 to 120 days (2024: 30 to 120 days). The following is an ageing analysis of trade receivables presented based on the date of delivery, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Up to 3 months	157,465	139,265
3 to 6 months	21,788	3,797
6 months to 1 year	859	1,541
1 year to 2 year	41	414
	<u>180,153</u>	<u>145,017</u>

13. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Share capital HK\$'000	Share premium HK\$'000	Total HK\$'000
Ordinary share of HK\$0.1 each				
Authorised				
At 1 April 2023, 31 March 2024 and 31 March 2025	4,500,000,000	450,000		
Issued and fully paid				
At 1 April 2023, 31 March 2024 and 31 March 2025	600,000,000	60,000	26,135	86,135

14. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>Note (a)</i>)	113,990	87,248
Accruals and other payables (<i>Note (b)</i>)	14,245	26,659
	<u>128,235</u>	<u>113,907</u>

Notes:

- (a) The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Up to 3 months	113,848	87,056
3 to 6 months	4	9
6 months to 1 year	69	9
1 to 2 years	69	174
	<u>113,990</u>	<u>87,248</u>

The average credit period on purchases of goods is from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

- (b) Included in the Group's accruals and other payables as at 31 March 2025 was accrued directors' emoluments of approximately HK\$67,000 (2024: HK\$79,000).

15. COMMITMENTS

Capital commitments

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised or contracted but not provided for:		
— Plant and machinery	1,324	296
— Leasehold improvements	—	51
	<u>1,324</u>	<u>347</u>

FINANCIAL REVIEW

Revenue

During the Year, the Group recorded a revenue of approximately HK\$757.5 million, with an increase by approximately HK\$167.6 million or 28.4% as compared to a revenue of approximately HK\$589.9 million during the corresponding period last year. The increase was mainly due to the increase in the revenue derived from the customers which engaged in the network and data storage industry as a result from increased demands of global development in artificial intelligence. On the other hand, the increase in revenue was partially offset by the decrease in revenue derived from the office automation industry and the consumer electronic industry.

Geographically, South East Asia, the People's Republic of China ("PRC"), Europe and North America continued to be the major markets of the Group's products. Sales to such areas accounted for approximately 66.1%, 23.5%, 6.1% and 3.2% of the Group's revenue for the Year, respectively. Details of a breakdown of revenue generated by different geographical locations are set out in Note 4 to this annual results announcement.

Cost of sales

Cost of sales primarily comprises the direct costs associated with the manufacturing of the Group's products. It consists mainly of direct materials, direct labour, processing fee and other direct overheads. Set out below is the breakdown of the Group's cost of sales:

	2025		2024	
	HK\$'000	%	HK\$'000	%
Direct materials	487,532	78.6	310,441	64.3
Direct labour	96,356	15.5	82,141	17.0
Processing fee	30,542	4.9	22,421	4.7
Changes in inventory	(30,144)	(4.8)	26,133	5.4
Other direct overheads	35,981	5.8	41,505	8.6
	<u>620,267</u>	<u>100.0</u>	<u>482,641</u>	<u>100.0</u>

During the Year, cost of sales of the Group increased by approximately HK\$137.6 million or 28.5% as compared to the same of the corresponding period last year. The increase was primarily due to increase in revenue.

The percentage of cost of sales to the total revenue during the Year was approximately 81.9%, representing a slight increase of approximately 0.1%, as compared to approximately 81.8% in the corresponding period last year.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately HK\$30.0 million or 28.0% from approximately HK\$107.3 million during the corresponding period last year to approximately HK\$137.3 million during the Year. The increase of gross profit was mainly due to the increase in revenue derived from the customers which engaged in the network and data storage industry during the Year. The overall gross profit margin of the Group slightly decreased from approximately 18.2% during the corresponding period last year to approximately 18.1% during the Year.

Other gains, net

During the Year, the Group recorded other gains, net which amounted to approximately HK\$11.3 million. In the corresponding period last year, the Group recorded other gains, net of approximately HK\$12.0 million. The Group recorded a slight decrease in other gains, net during the Year mainly due to a decrease in gain on derecognition of right-of-use assets and related lease liabilities upon the acquisition of companies which own plants in Suzhou, the PRC in the corresponding period last year. The decrease in other gains, net was partially offset by an increase in net exchange gain upon the volatility of RMB and an increase in government subsidy during the Year.

Distribution and selling expenses

Distribution and selling expenses represented the expenses incurred for the promotion and selling of the Group's products. It mainly comprises, among others, salaries and related costs for the sales and marketing staff, travelling and transportation costs, and marketing expenses. Distribution and selling expenses slightly increased by approximately HK\$0.4 million from approximately HK\$6.7 million for the year ended 31 March 2024 to approximately HK\$7.1 million for the Year.

General and administrative expenses

General and administrative expenses comprise primarily salaries and related costs for key management, the Group's finance and administration staff, depreciation and professional costs incurred by the Group. The general and administrative expenses of the Group increased from approximately HK\$83.7 million for the corresponding period last year to approximately HK\$98.6 million for the Year. The increase was mainly due to the increase in the operating costs from Malaysia production base and Suzhou plant during the Year.

Finance costs

The Group's finance costs represented interest expenses on finance lease and bank borrowings. During the Year, the Group's finance costs was approximately HK\$2.1 million, as compared to approximately HK\$6.0 million for the corresponding period last year. The decrease in finance costs was mainly due to a decrease in average balances of lease liabilities as compared to corresponding period last year.

Income tax expenses

The Group's income tax expenses amounted to approximately HK\$6.4 million for the Year, while the Group's income tax expenses for the corresponding period last year amounted to approximately HK\$9.5 million. The details are set out in the Note 7 to this annual results announcement.

Profit attributable to owners of the Company

For the Year, profit attributable to owners of the Company amounted to approximately HK\$36.3 million, as compared with the profit attributable to owners of the Company of approximately HK\$23.2 million for the corresponding period last year. The increase in profit attributable to owners was mainly attributable to the increase in revenue and gross profit.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Financial resources and liquidity

The Group's current assets comprise mainly cash and cash equivalents, trade receivables, prepayments, deposits and other receivables and inventories. As at 31 March 2025 and 31 March 2024, the Group's total current assets amounted to approximately HK\$508.4 million and HK\$431.3 million respectively, which represented approximately 60.4% and 55.4% of the Group's total assets as at 31 March 2025 and 2024, respectively.

Capital structure

The Group's capital structure is summarised as follows:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	<u>75,600</u>	<u>49,500</u>
Total debts	<u>75,600</u>	<u>49,500</u>
Shareholders' equity	<u>623,649</u>	<u>602,798</u>
Gearing ratio		
— Total debts to shareholders' equity ratio [#]	<u>12.1%</u>	<u>8.2%</u>

[#] Total debts to shareholders' equity ratio is calculated based on total debts divided by shareholders' equity at the end of the respective year.

For the Year, the Group generally financed its operation primarily with internal generated cash flows and bank borrowings.

As at 31 March 2025, the Group's bank borrowings were denominated in Renminbi.

The capital structure of the Group consists of equity attributable to the equity holders of the Company (comprising issued share capital and reserves) and bank borrowings. The Directors will review the capital structure regularly. As part of such review, the Directors consider the cost of capital and the optimal use of debt and equity so as to maximise the return to owners.

Capital expenditure

During the Year, the Group acquired plant and machinery of approximately HK\$9.0 million, as compared to the year ended 31 March 2024 of approximately HK\$37.7 million.

The Group financed its capital expenditure through cash flows generated from operating activities, finance leases and bank borrowings.

Charges on the Group's assets

As at 31 March 2025 and 2024, no bank borrowing of the Group was secured by assets of the Group.

Foreign currency exposure

Each individual group entity has its own functional currency. Foreign exchange risk to each individual group entity arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group operates mainly in Hong Kong, the PRC and Malaysia. The Group's Hong Kong entities are exposed to foreign exchange risk arising from Renminbi and Malaysian ringgit, while the Group's PRC and Malaysia entities are exposed to foreign exchange risk arising from the United States dollars.

The Group has been managing its foreign exchange risk by closely monitoring the movement of the foreign currency rates.

Capital commitments

Details of the Group's capital commitments as at 31 March 2025 are set out in Note 15 to this annual results announcement.

Contingent liabilities

As at 31 March 2025, the Group had no material contingent liabilities.

Subsequent event

The Group has no material subsequent events up to the date of this consolidated financial statements.

BUSINESS REVIEW

For the year ended 31 March 2025 (the “Year”), global geopolitical environment tensions due to the Russia-Ukraine conflict and crisis on Middle East region were both in a stalemate situation, which were aggravating risks on business environment. Furthermore, as affected by high interest rates and rising energy costs, the global economy was in difficulty. The weak market demand in Europe and the United States of America (the “US”) slowed down the pace of global economy recovery. On the other hand, the continued trade disputes between the PRC and the US as well as between the PRC and European countries have caused exports in the PRC to be under pressure.

During the Year, the Group recorded a revenue of approximately HK\$757.5 million, with an increase by approximately HK\$167.6 million or 28.4% as compared to a revenue of approximately HK\$589.9 million during the corresponding period last year. The increase was mainly due to the increase in the revenue derived from the customers which engaged in the network and data storage industry as a result from increased demands of global development in artificial intelligence. On the other hand, the increase in revenue was partially offset by the decrease in revenue derived from the office automation industry and the consumer electronic industry.

The gross profit of the Group increased by approximately HK\$30.0 million or 28.0% from approximately HK\$107.3 million during the corresponding period last year to approximately HK\$137.3 million during the Year. The increase of gross profit was mainly due to the increase in revenue derived from the customers which engaged in the network and data storage industry during the Year. In respect of the overall gross profit margin of the Group that slightly decreased from approximately 18.2% during the corresponding period last year to approximately 18.1% during the Year.

The Group recorded an increase in general and administrative expenses from approximately HK\$83.7 million in the corresponding period last year to approximately HK\$98.6 million during the Year. The increase was mainly due to the increase in the operating costs from Malaysia production base and Suzhou plant during the Year.

As such, the Group recorded a net profit of approximately HK\$38.0 million during the Year, as compared with a net profit of approximately HK\$23.1 million during the corresponding period last year. The increase in net profit was mainly attributable to the increase in revenue and gross profit.

OUTLOOK AND STRATEGY

The outlook of global economy is fraught with uncertainties due to the high tariff rate policy recently launched by the US government, while geopolitical tensions have also become unpredictable. Such tariff policy could further disrupt global supply chains and international trading patterns. Facing geopolitical uncertainties and variables in international trade, enterprises are accelerating the restructuring of supply chains to strengthen risk mitigation capabilities. Looking forward, the global economy may also be threatened by deglobalisation, global inflation, variability of interest rate and fluctuation in currency exchange.

In the coming year, owing to the China-US trade dispute, risks of deglobalisation and disruption on the global supply chains are increasing. In order to keep in line with the trend of customers restructuring their supply chains and manage the uncertainty brought by the US tariff, the Group plans to expand and increase the investment in its overseas production base in Malaysia, so as to provide flexibility to existing customers with supply chain solutions locating outside of the PRC, and to capitalise on the opportunity to actively explore more new customers.

Furthermore, the persistent geopolitical conflicts in Ukraine and Middle East regions, and the China-US trade dispute may sustain a period of time. It is expected that the global economy may become weaker and a potential global economy recession may occur. In order to cope with these challenges, the Group will put more efforts in maintaining good relationships with existing customers of the Group. The Group has also been striving to explore more new customers to broaden its customer base. Last but not least, the Group will continue to look for new, long term and sustainable business opportunities to enhance the Group's performance, with the aim to creating better value for its customers, shareholders and investors.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total number of 1,209 full-time employees (2024: 946). The Group determined the remuneration packages of all employees based on factors including individual qualifications, contribution to the Group, performance and years of experience of the respective staff.

The Group provides on-going training to the Group's staff in order to enhance their technical skills and product knowledge and to provide them with updates with regard to industry quality and work safety.

The Group maintains good relationships with the Group's employees. The Group did not have any labour strikes or other labour disturbances that would have interfered with the Group's operations during the Year.

As required by the PRC regulations, the Group participates in the social insurance schemes operated by the relevant local government authorities.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK1.3 cents (2024: HK0.8 cents) per share for the year ended 31 March 2025 which will be payable to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company (the "**Register of Members**") on Monday, 15 September 2025 subject to the Shareholders' approval in the annual general meeting of the Company to be held on Thursday, 21 August 2025 (the "**AGM**").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 18 August 2025 to Thursday, 21 August 2025, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 August 2025.

Subject to the Shareholders' approval of the recommended final dividend at the AGM, the final dividend will be payable on or about Monday, 15 September 2025. For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members will be closed from Wednesday, 27 August 2025 to Thursday, 28 August 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend for the year ended 31 March 2025, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 August 2025.

CORPORATE GOVERNANCE

The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules during the Reporting Period with the following deviations:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sun Kwok Wah, Peter, serves as both the chief executive officer of the Company and the Chairman of the Board. Although such practice deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Chairman of the Board and the chief executive officer in the same person has the benefit of ensuring consistent leadership to advance long-term strategy, and allowing for further deepening the monetisation capabilities and optimising operating efficiency. In particular, Mr. Sun, being a founder of the Group and the chief executive officer of the Company, is familiar with the Company's business operation and has superior knowledge and experience of the Company's business.

In addition, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, given that (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) all the Directors

are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefits and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consisting of two executive Directors and three independent non-executive Directors and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussions at both the Board and senior management levels.

Therefore, the Board considers that the deviation from the code provision of C.2.1 of the CG Code is appropriate in such circumstances. Except for the above deviation from CG Code, the Board is of the view that the Company has complied with the CG Code during the Reporting Period. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by the Directors on terms equivalent to the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

The Board confirmed that, having made specific enquiry, the Directors have complied in full with the required standards as set out in the Model Code and its code of conduct during the Year and up to the date of this annual results announcement.

REVIEW OF ACCOUNTS

The Company’s audit committee has reviewed the accounting policies adopted by the Group and the consolidated financial statements of the Group for the Year.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this annual results announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this annual results announcement.

SUBSTANTIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED CORPORATIONS

For the Year, the Group did not conduct any disposals or acquisitions for its subsidiaries and associated corporations.

PURCHASE, SALE OR REDEMPTIONS OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year. The Company did not hold any treasury shares during the Year.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.kingdom.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2025 annual report containing all the information required by Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company and be available on the said websites in due course.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board proposes to amend the existing amended and restated articles of association of the Company (the “**Articles of Association**”) to reflect, among others, (i) the expanded paperless listing regime; (ii) online participation at general meetings and voting by shareholders by electronic means; (iii) the new treasury shares regime; (iv) other housekeeping amendments; and (v) adjusted numbering of certain provisions in the Articles of Association as a result of the aforesaid amendments (collectively, the “**Proposed Amendments**”).

In light of the number of Proposed Amendments, the Board proposes to adopt the second amended and restated articles of association of the Company incorporating the Proposed Amendments (the “**New Articles of Association**”) in substitution for, and to the exclusion of, the Articles of Association. The adoption of the New Articles of Association incorporating the Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution at the upcoming AGM and will become effective upon approval of the Shareholders. A circular containing, among others, details of the Proposed Amendments and adoption of the New Articles of Association, together with a notice of the AGM, will be despatched to the Shareholders in due course.