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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)

**SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
CONTRACT MANUFACTURING AGREEMENT**

Reference is made to the announcement of KFM Kingdom Holdings Limited (the “**Company**”) dated 24 July 2026 in relation to the continuing connected transactions contemplated under the Contract Manufacturing Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information in relation to the continuing connected transactions contemplated under the Contract Manufacturing Agreement.

DETERMINATION BASIS OF ANNUAL CAP

As disclosed in the Announcement, the annual cap amounts were determined primarily with reference to (i) the historical transaction amount for the manufacturing and supply of the Products; (ii) the prevailing market prices of the Products under the Contract Manufacturing Agreement; and (iii) the expected demand of HHY for the Products during the term of the Contract Manufacturing Agreement.

In particular, the proposed annual cap had taken into account, among others, the following factors:

- (a) the projected transaction amounts for the three years ending 31 March 2029 based on the transaction amounts between HHY and KPP(SZ) between from 1 April 2026 and to 24 July 2026, being approximately RMB2.9 million;
- (b) the expected increase in HHY's customer base, which would at least double the projected transaction amounts for the year ending 31 March 2027;
- (c) the exponential growth rate of the artificial intelligence industry between 2024 and 2026, and its projected growth rate of 30% per annum between 2028 and 2029, which heavily relies on data processing and storage support services, and combined with the PRC government's policy mandating the localisation of data storage devices, which has created and is expected to continue to create a substantive and urgent need for enterprises to replace their existing storage infrastructure across the PRC; and
- (d) an additional buffer of 10% to cater for any increase in the transaction volume and growth rate of the artificial intelligence industry, which would directly affect the demand of data processing and storage support services of HHY.

INTERNAL CONTROL

The Company has internal control measures to ensure that the transactions contemplated under the Contract Manufacturing Agreement is in accordance with the terms and conditions thereunder.

When providing quotation for the Products, the management of KPP(SZ) shall ensure that (i) it is made in accordance with the terms and conditions of the Contract Manufacturing Agreement; (ii) it makes reference to the pricing policy under the Contract Manufacturing Agreement; and (iii) the quotation provided to HHY is comparable to the price it offers to its other customers.

As disclosed in the Announcement, the pricing policy of the Products under the Contract Manufacturing Agreement will be determined on a cost-plus basis, based on the then prevailing market prices of direct raw materials (including metal products and non metal products) and labour costs required for the manufacturing of the Products concerned plus a reasonable profit margin. HHY will pay 12.5% material management costs for the non metal products. There will be a 10% profit margin on top of the labour costs, and a 10% surcharge on process general and administrative expenses. KPP(SZ) shall ensure that the price of the Products that it charges HHY would be comparable to (and not less than) the price it offers to its other customer(s).

The management of KPP(SZ) will revisit the pricing of the Products concerned, based on the then prevailing market prices of direct raw materials (including metal products and non metal products) and labour costs required for the manufacturing of the Products, on a quarterly basis. Upon revisiting the pricing of the Products, the management of KPP(SZ) will report to the management of the Group.

The management of KPP(SZ) and the management of the Group will also review the transaction amounts under the Contract Manufacturing Agreement from time to time to ensure that the annual cap under the Contract Manufacturing Agreement would not be exceeded.

In addition, the auditors of the Company will conduct annual review on the pricing, terms and annual cap of the Contract Manufacturing Agreement, and the independent non-executive Directors will review the implementation of the Contract Manufacturing Agreement on an annual basis.

Save as disclosed above, all other information in the Announcement remains unchanged.

For and on behalf of
KFM KINGDOM HOLDINGS LIMITED
Sun Kwok Wah Peter
Chairman

Hong Kong, 3 August 2026

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