



KFM KINGDOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability) (HKEx Stock Code: 3816)

2025
Interim Report

**Our Goals are
Far and High**
We cultivate for
Tomorrow



www.kingdom.com.hk

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Corporate Information

Executive Directors

Mr. Sun Kwok Wah Peter

(Chairman and Chief Executive Officer)

Mr. Wong Chi Kwok

Independent non-executive Directors and audit committee

Mr. Wan Kam To (Chairman)

Mr. Chan Ming Sun Jonathan

Ms. Cheng Yuan Ting Cana

Remuneration committee

Mr. Chan Ming Sun Jonathan (Chairman)

Ms. Cheng Yuan Ting Cana

Mr. Wan Kam To

Nomination committee

Mr. Sun Kwok Wah Peter (Chairman)

Mr. Wan Kam To

Mr. Chan Ming Sun Jonathan

Ms. Cheng Yuan Ting Cana

Headquarters and principal place of business in Hong Kong

Workshop C, 31/F, TML Tower

3 Hoi Shing Road, Tsuen Wan

New Territories, Hong Kong

Principal place of business in the PRC

881 South Jinshan Road, Gaoxin District, Suzhou

Jiangsu Province, the PRC

Registered office

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Company secretary

Mr. Kwok For Chi

Authorised representatives

Mr. Sun Kwok Wah Peter

Mr. Kwok For Chi

Legal adviser as to Hong Kong law

Chiu & Partners

Auditor

SHINEWING (HK) CPA Limited

Registered Public Interest Entity Auditor

Principal bankers

DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

**Cayman Islands share registrar and
transfer office**

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman KY1-1110
Cayman Islands

**Hong Kong branch share registrar and
transfer office**

Tricor Investor Services Limited
17/F, Far East Finance Centre
No. 16 Harcourt Road
Hong Kong

Website

www.kingdom.com.hk

Stock code

3816

Review of Interim Results

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of KFM Kingdom Holdings Limited (the “**Company**”) would like to announce the interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 September 2025 (the “**Reporting Period**”) prepared in accordance with the 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 corresponding period of 2024.

The interim results and the interim condensed consolidated financial information of the Group for the Reporting Period, after being reviewed by the audit committee of the Company (the “**Audit Committee**”) and by the Company’s auditor in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, were approved by the Board on 25 November 2025.

Business Review

During the Reporting Period, global geopolitical tensions due to the conflicts in Ukraine and Middle East regions were both in a stalemate situation. In addition, the trade dispute and high tariff rate policy issued by the United States of America (the “**US**”) was aggravating risks on business environment. On the other hand, as affected by the relative high level of interest rate and high inflation rate in western countries, the global economy was in difficulty.

During the Reporting Period, the Group recorded revenue of approximately HK\$459.5 million, with an increase by approximately HK\$82.8 million or 22.0% as compared to a revenue of approximately HK\$376.7 million during the corresponding period last year. The increase was mainly due to the increase in the revenue derived from the customers who engaged in the network and data storage industry. On the other hand, the increase in revenue was partially offset by the decrease in revenue derived from the office automation industry and consumer electronic industry.

The total gross profit of the Group increased by approximately HK\$17.1 million or 25.2% from approximately HK\$67.8 million during the corresponding period last year to approximately HK\$84.9 million during the Reporting Period. The increase in gross profit was mainly due to the increase in revenue from the customers who engaged in the network and data storage industry. In respect of the gross profit margin of the Group was approximately 18.5% during the Reporting Period, with a slight increase by approximately 0.5% as compared to approximately 18.0% in the corresponding period last year. The increase in gross profit margin was mainly due to our improvement in production efficiency.

During the Reporting Period, the appreciation in Renminbi (“RMB”) exchange rate resulted in a net exchange loss of approximately HK\$1.6 million, with a decrease by approximately HK\$3.6 million as compared to a net exchange gain of approximately HK\$2.0 million recorded in the corresponding period last year. In regard to general and administrative expenses during the Reporting Period, the Group recorded general and administrative expenses of approximately HK\$44.1 million, with an increase by approximately HK\$3.9 million as compared to the general and administrative expenses of approximately HK\$40.2 million during the corresponding period last year. The increase in general and administrative expenses was in line with the increase in revenue during the Reporting Period.

As a result of the above, the Group recorded a net profit attributable to owners of the Company of approximately HK\$29.9 million during the Reporting Period, as compared with a net profit attributable to owners of the Company of approximately HK\$21.8 million during the corresponding period last year.

Financial Review

Revenue

During the Reporting Period, the Group recorded revenue of approximately HK\$459.5 million, with an increase by approximately HK\$82.8 million or 22.0% as compared to a revenue of approximately HK\$376.7 million during the corresponding period last year. The increase was mainly due to the increase in the revenue derived from the customers who engaged in the network and data storage industry. On the other hand, the increase in revenue was partially offset by the decrease in revenue derived from the office automation industry and consumer electronic industry.

Geographically, South East Asia, the PRC, Europe and North America continued to be the major markets of the Group's products. Sales to such areas accounted for approximately 74.8%, 18.0%, 3.5% and 2.5% of the Group's revenue, respectively, for the Reporting Period. Details of a breakdown of revenue generated by different geographical locations are set out in Note 6 to this interim condensed consolidated financial information.

Review of Interim Results (Continued)

Cost of sales

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

	Six months ended 30 September			
	2025 HK\$'000 (Unaudited)	%	2024 HK\$'000 (Unaudited)	%
Direct material	274,776	73.4	224,432	72.6
Direct labour	56,465	15.1	47,391	15.3
Processing fee	20,778	5.5	12,831	4.2
Change in inventory of finished goods and work in progress	(1,424)	(0.4)	2,789	0.9
Other direct overheads	24,010	6.4	21,476	7.0
	374,605	100.0	308,919	100.0

During the Reporting Period, cost of sales of the Group increased by approximately HK\$65.7 million or 21.3% as compared to the same of the corresponding period last year. The increase was primarily due to the increase in direct material cost, direct labour cost and processing fee. The percentage of cost of sales to total revenue during the Reporting Period was approximately 81.5%, representing a slight decrease of approximately 0.5% as compared to approximately 82.0% in the corresponding period last year.

Gross profit and gross profit margin

During the Reporting Period, the gross profit of the Group was approximately HK\$84.9 million, representing an increase of approximately HK\$17.1 million or 25.2% from approximately HK\$67.8 million for the corresponding period last year. The increase in gross profit was mainly due to the increase in revenue from the customers who engaged in the network and data storage industry. In respect of the gross profit margin of the Group was approximately 18.5% during the Reporting Period, with a slight increase by approximately 0.5% as compared to approximately 18.0% in the corresponding period last year. The increase in gross profit margin was mainly due to our improvement in production efficiency.

Other (losses)/gains, net

During the Reporting Period, the Group recorded other losses, net which amounted to approximately HK\$0.9 million. In the corresponding period last year, the Group recorded other gains, net of approximately HK\$2.3 million. The decrease in other gains, net during the Reporting Period was mainly due to a decrease in net exchange gain for approximately HK\$3.6 million upon RMB appreciation which resulted in a net exchange loss of approximately HK\$1.6 million was recorded during the Reporting Period.

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 remained stable during the Reporting Period.

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\$40.2 million for the corresponding period last year to approximately HK\$44.1 million for the Reporting Period. The increase in general and administrative expenses was in line with the increase in revenue during the Reporting Period.

Finance costs

The Group's finance costs represented interest expenses on bank borrowings and finance costs of operating lease.

During the Reporting Period, the Group's finance costs was approximately HK\$1.3 million, as compared to approximately HK\$0.9 million for the corresponding period last year. The increase in finance costs was mainly due to an increase in average balance of bank borrowing as compared to corresponding period last year.

Review of Interim Results (Continued)

Income tax expenses

The Group's income tax expenses amounted to approximately HK\$5.7 million for the Reporting Period, while the Group's income tax expenses for the corresponding period last year amounted to approximately HK\$4.4 million. The increase in income tax expenses was mainly attributable to the increase in taxable profits during the Reporting Period.

Profit attributable to owners of the Company

For the Reporting Period, profit attributable to owners of the Company amounted to approximately HK\$29.9 million. During the corresponding period last year, profit attributable to owners of the Company amounted to approximately HK\$21.8 million.

Liquidity, Financial and Capital Resources

Financial resources and liquidity

The Group's current assets comprise mainly cash and cash equivalents, trade and other receivables and inventories. As at 30 September 2025 and 31 March 2025, the Group's total current assets amounted to approximately HK\$557.3 million and HK\$508.4 million respectively, which represented approximately 61.8% and 60.4% of the Group's total assets as at 30 September 2025 and 31 March 2025, respectively.

Capital structure

The Group's capital structure is summarised as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Bank borrowings	65,400	75,600
Total debts	65,400	75,600
Shareholders' equity	655,609	623,649
Gearing ratio		
— Total debts to shareholders' equity ratio [#]	10.0%	12.1%

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

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

Details of the Group's bank borrowings as at 30 September 2025 are set out in Note 25 to this interim condensed consolidated financial information.

As at 30 September 2025, the Group's bank borrowings were denominated in RMB.

The capital structure of the Group consists of equity attributable to the equity holder 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 will 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 Reporting Period, the Group acquired plant and equipment of approximately HK\$25.2 million, as compared to the six months ended 30 September 2024 of approximately HK\$2.9 million.

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

Charges on the Group's assets

As at 30 September 2025 and 31 March 2025, no 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 RMB and Malaysian ringgit, while the Group's PRC and Malaysia entities are exposed to foreign exchange risk arising from United States dollars.

Review of Interim Results (Continued)

The Group manages 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 30 September 2025 are set out in Note 26 to this interim condensed consolidated financial information.

Contingent liabilities

As at 30 September 2025, the Group had no material contingent liabilities.

Outlook and Strategy

Looking forward, the outlook of global economy is fraught with uncertainties due to the high tariff rate policy launched by US government, such tariff policy may further disrupt global supply chains and international trading patterns. Facing the geopolitical uncertainties and variables in international trade, enterprises are accelerating the restructuring of supply chains to strengthen risk mitigation capabilities.

In order to keep in line with the trend of customers restructuring their supply chains and manage the uncertainty brought by the China-US trade dispute, the Group has expanded 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. In order to cope with these challenges and uncertainties, 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.

Employees and Remuneration Policy

As at 30 September 2025, the Group had a total number of 1,282 employees (as at 30 September 2024: 1,057 employees). The Group determined the remuneration packages of all employees based on several 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 relationship 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 Reporting Period.

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

Share option scheme

The Company has adopted a share options scheme under which it may grant options to eligible participants to subscribe for shares of the Company. The share option scheme (the **"Share Option Scheme"**) adopted by the Company on 23 August 2022 was amended by passing an ordinary resolution on 23 August 2023 for the purpose of bringing the Share Option Scheme in accordance with Chapter 17 of the Listing Rules (the **"Amended Share Option Scheme"**).

The following is a summary of the principal terms of the Amended Share Option Scheme.

(a) Purpose

The purpose of the Amended Share Option Scheme is to enable the Group to (i) grant share options to the eligible participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote long-term financial and business performance of the Company.

Review of Interim Results (Continued)

(b) Eligible participants

The eligible participants include any employees (whether full-time or part-time employee, including any executive Director but excluding any independent non-executive Director) of the Company or any of its subsidiaries (including persons who are granted options or awards under the Amended Share Option Scheme as an inducement to enter into employment contracts with these companies).

(c) Maximum number of shares

The maximum number of shares which may be issued upon exercise of all the share options and awards to be granted under the Amended Share Option Scheme and any other share scheme of the Company (if any) shall not in aggregate exceed 10% of the shares in issue (i.e. a maximum of 60,000,000 Shares) at the date of approval of the Share Option Scheme (the “**Scheme Mandate Limit**”). Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no option or award may be granted under the Amended Share Option Scheme or any other share scheme if the grant of such option or award will result in the limit referred to herein being exceeded. The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit under the Amended Share Option Scheme, provided that:

- (i) the total number of Shares which may be allotted and issued upon exercise of all options and awards to be granted under the Amended Share Option Scheme and any other share scheme of the Company (if any) must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit, and for the purpose of calculating the refreshed Scheme Mandate Limit, options or awards lapsed in accordance with the terms of the Amended Share Option Scheme and any other share scheme of the Company (if any) will not be regarded as utilised; and

- (ii) where the refreshment of the Scheme Mandate Limit is sought:
 - (a) within three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme):
 - (1) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and
 - (2) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing),

provided that the requirements under paragraph (C)(ii)(1) do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share; and

- (b) after three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme), the requirements under paragraph (C)(ii)(1) shall not be applicable.
- (iii) the Company may obtain a separate approval from the Company's shareholders in a general meeting to permit the granting of share options under the Amended Share Option Scheme beyond the Scheme Mandate Limit provided that such share options are granted only to eligible participants specifically identified by the Company before shareholders' approval is sought.

Review of Interim Results (Continued)

(d) *Maximum entitlement of each eligible participant*

Unless approved by the shareholders in a general meeting (with the relevant eligible participant and his/her close associates abstaining from voting), no eligible participant shall be granted an share option if the total number of shares issued and to be issued upon exercise of the share options or share awards granted and proposed to be granted to such eligible participant (excluding any share options and share awards lapsed in accordance with the Amended Share Option Scheme or other share scheme of the Company (if any)) under the Amended Share Option Scheme and any other share scheme of the Company (if any) in any 12-month period up to and including the date of the such further grant would in aggregate exceed 1% of the total number of shares in issue of the Company for the time being.

An offer of the grant of an option to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).

Where any grant of share options or share awards to independent non-executive Director or a substantial shareholder, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options and share awards (excluding any share options and share awards lapsed in accordance with the terms of the Amended Share Option Scheme or other share scheme of the Company (if any)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of shares in issue.

Such further grant of share options or share awards must be approved by the shareholders in general meeting (with such grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour) at such general meeting in accordance with Rule 17.04(4) of the Listing Rules.

(e) *Vesting period of share options granted under the Amended Share Option Scheme*

The vesting period in respect of any share option granted to any eligible participant under the Amended Share Option Scheme shall not be shorter than 12 months from the date of the acceptance of the offer of share options, provided that where the eligible participant is:

- (a) an employee participant who is a Director or a member of the senior management specifically identified by the Company, the remuneration committee of the Board shall, or
- (b) an employee participant who is not a Director nor a member of the senior management specifically identified by the Company, the Directors shall:

have the authority to determine a shorter vesting period in the following circumstances:

- (i) grants of “make-whole” share options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include share options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the share options would have been granted; or
- (iv) grants with a mixed or accelerated vesting schedule such as where the share options may vest evenly over a period of 12 months.

Review of Interim Results (Continued)

(f) *Acceptance of an offer of share options*

A share option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the share options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date (which shall not be later than 21 days from the date of offer). To the extent that the offer to grant a share option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(g) *Performance target and clawback mechanism*

Save specific performance target(s) and clawback mechanism may be attached to any share option being granted to any of the grantee under the Amended Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries, no performance target(s) should be attached to any share option being granted to any of the grantees under the Amended Share Option Scheme.

(h) *Subscription price*

The subscription price in respect of any share option shall be a price determined by the Board and notified to an eligible participant (subject to any adjustments made pursuant to the terms and conditions of the Amended Share Option Scheme) which must not be less than the highest of:

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; and
- (ii) the average of the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant.

(i) Ranking of shares

The shares to be allotted and issued upon the exercise of a share option will be subject to all the provisions of the articles of association for the time being in force and will rank pari passu in all respects with the then existing fully paid shares in issue on the date on which the share option is duly exercised.

The shares to be allotted upon the exercise of a share option will not carry voting rights until completion of the registration of the grantee (such other person nominated by the grantee) as the holder thereof.

(j) Life of the Amended Share Option Scheme

The Amended Share Option Scheme shall be valid and effective for a period of 10 years from 23 August 2022 (being the date of adoption of the Share Option Scheme), after which no further options shall be offered but the provisions of the Amended Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Amended Share Option Scheme. Share options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Amended Share Option Scheme. As at the date of this annual report, the Amended Share Option Scheme had a remaining life of approximately eight years.

During the Reporting Period, no option was granted, exercised, cancelled, lapsed or outstanding under either the Share Option Scheme or the Amended Share Option Scheme. As at the date of this interim report, the total number of shares available for issue under the Amended Share Option Scheme was 60,000,000, representing 10% of the issued share capital of the Company. As at 31 March 2025 and 30 September 2025, the number of options available for grant under the Share Option Scheme and the Amended Share Option Scheme respectively was 60,000,000.

Review of Interim Results (Continued)

Interests and Short Positions of Directors and Chief Executive of the Company in the Shares, Underlying Shares or Debentures of the Company or Its Associated Corporations

As at 30 September 2025, the Directors and chief executive of the Company had the following interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO), and/or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules:

Name of Director	Name of group member/ associated corporation	Capacity/ Nature of Interest	Number and class of securities (Note 1)	Approximate shareholding percentage
Mr. Sun Kwok Wah, Peter (“Peter Sun”)	Company	Interest of controlled corporation	449,999,012 Shares (L) (Note 2)	75.00%
Peter Sun	KIG Real Estate Holdings Limited (“KREH”)	Beneficial owner	4,490 shares	40.50%

Notes:

- 1 The letter “L” denotes our Directors’ long position in the shares of our Company or the relevant associated corporation.
- 2 These shares were held by KREH, which is owned as to 40.50% by Mr. Sun Kwok Wah Peter. Therefore, Peter Sun is deemed to be interested in the shares held by KREH under the SFO.

Save as disclosed above, none of the Directors and chief executive of the Company had any interest and short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 September 2025.

Substantial Shareholders', Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2025, the following person (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Name of Group member/ associated corporation	Capacity/ Nature of Interest	Number and class of securities (Note 1)	Approximate shareholding percentage
KREH	Company	Beneficial owner	449,999,012 shares (L) (Note 2)	75%
Ms. Kwok Wing Yi	Company	Interest of spouse	449,999,012 shares (L) (Note 2)	75%

Notes:

- 1 The letter "L" denotes the corporation/person's long position in our shares.
- 2 These shares were held by KREH, which is owned as to 40.50% by Peter Sun. Ms. Kwok Wing Yi is the spouse of Peter Sun and is therefore deemed to be interested in the shares held by Peter Sun under the SFO.

Review of Interim Results (Continued)

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 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 Reporting Period.

Interim Dividend

The Board does not recommend payment of any interim dividend for the Reporting Period.

Subsequent Event

The Group had no material subsequent events from the end of the Reporting Period up to the date of this interim report.

Audit Committee

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules with written terms of reference formulated for the committee.

The Audit Committee has reviewed the Group's interim condensed consolidated financial information for the Reporting Period and had discussed the financial information with management and the independent auditor of the Company. The Audit Committee is of the view that the preparation of such financial report has complied with the standard and requirements and that adequate disclosures have been made.

Substantial Acquisitions and Disposals of Subsidiaries and Associated Corporations

The Group did not conduct any disposals or acquisitions for its subsidiaries and associated corporations during the Reporting Period.

Review of Interim Results (Continued)

Purchase, Sale or Redemption of Listed Securities

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

Directors' Interests in Competing Business

As of the date of this interim report, Mr. Sun Kwok Wah Peter wholly owned Kingdom BSL Technology Sdn. Bhd, a company incorporated under the laws of Malaysia and is principally engaged in CNC production in Malaysia.

Mr. Sun who is deemed to be interested in any proposed transaction(s) will have his interest fully disclosed and will abstain from voting at the relevant resolution(s) in accordance with the applicable requirements of the articles of association of the Company. Accordingly, the Group is capable of carrying on its business independently of, and at arm's length from, the business of the abovementioned company.

Save as disclosed above, each of the other Directors has confirmed that so far as they are aware of none of the Directors nor any proposed Director or his/her respective close associates had any interest in any business, apart from the Group's business, which compete or is likely to compete, either directly or indirectly, with the Group's business.

By order of the Board
Sun Kwok Wah Peter
Chairman

Hong Kong, 25 November 2025

Report on Review of Interim Condensed Consolidated Financial Information



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE BOARD OF DIRECTORS OF KFM KINGDOM HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial information of KFM Kingdom Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 25 to 54, which comprise the interim condensed consolidated statement of financial position as at 30 September 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Report on Review of Interim Condensed Consolidated Financial Information (Continued)

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Lee Shun Ming

Practising Certificate Number: P07068

Hong Kong

25 November 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

		Six months ended 30 September	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	6	459,463	376,703
Cost of sales		(374,605)	(308,919)
Gross profit		84,858	67,784
Other (losses)/gains, net	8	(895)	2,319
Distribution and selling expenses		(3,848)	(3,601)
General and administrative expenses		(44,140)	(40,203)
Finance income	9	1,862	1,550
Finance costs	9	(1,326)	(866)
Profit before tax	10	36,511	26,983
Income tax expenses	11	(5,747)	(4,436)
Profit for the period		30,764	22,547
Other comprehensive income for the period:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		8,996	3,010
Total comprehensive income for the period		39,760	25,557
Profit for the period attributable to			
— Owners of the Company		29,853	21,759
— Non-controlling interests		911	788
		30,764	22,547
Total comprehensive income attributable to			
— Owners of the Company		39,163	24,769
— Non-controlling interests		597	788
		39,760	25,557
EARNINGS PER SHARE	12		
— Basic and diluted (HK cents)		4.98	3.63

Interim Condensed Consolidated Statement of Financial Position

At 30 September 2025

	Notes	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	252,551	242,775
Right-of-use assets	15	85,725	89,168
Prepayments and deposits	18	6,822	1,980
Total non-current assets		345,098	333,923
Current assets			
Inventories	16	133,726	146,061
Trade receivables	17	179,654	180,153
Prepayments, deposits and other receivables	18	27,600	29,710
Time deposit with maturity over three months	19	36,000	43,000
Cash and cash equivalents	19	176,479	109,504
		553,459	508,428
Non-current assets classified as held for sale	20	3,798	—
Total current assets		557,257	508,428
Total assets		902,355	842,351
EQUITY			
Capital and reserves			
Share capital	21	60,000	60,000
Share premium	21	26,135	26,135
Reserves	22	499,612	468,249
		585,747	554,384
Non-controlling interests		69,862	69,265
Total equity		655,609	623,649

Interim Condensed Consolidated Statement of Financial Position (Continued)

At 30 September 2025

	Notes	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	3,446	5,292
Deferred income tax liabilities	23	2,950	2,093
Total non-current liabilities		6,396	7,385
Current liabilities			
Trade and other payables	24	166,471	128,235
Lease liabilities	15	4,931	5,705
Bank borrowings	25	65,400	75,600
Income tax liabilities		3,548	1,777
Total current liabilities		240,350	211,317
Total liabilities		246,746	218,702
Total equity and liabilities		902,355	842,351
Net current assets		316,907	297,111
Total assets less current liabilities		662,005	631,034

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

	Attributable to owners of the Company						Non-controlling interests		Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2025 (audited)	60,000	26,135	1	47,156	(4,474)	425,566	554,384	69,265	623,649
Profit for the period	—	—	—	—	—	29,853	29,853	911	30,764
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	9,310	—	9,310	(314)	8,996
Total comprehensive income for the period	—	—	—	—	9,310	29,853	39,163	597	39,760
Transfer of retained profits to statutory reserve	—	—	—	2,036	—	(2,036)	—	—	—
Final dividend declared and paid (note 13)	—	—	—	—	—	(7,800)	(7,800)	—	(7,800)
	—	—	—	2,036	—	(9,836)	(7,800)	—	(7,800)
Balance at 30 September 2025 (unaudited)	60,000	26,135	1	49,192	4,836	445,583	585,747	69,862	655,609

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 September 2025

	Attributable to owners of the Company						Non-controlling		
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Retained profits	Total	interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2024									
(audited)	60,000	26,135	1	44,042	3,226	397,151	530,555	72,243	602,798
Profit for the period	—	—	—	—	—	21,759	21,759	788	22,547
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	3,010	—	3,010	—	3,010
Total comprehensive income for the period	—	—	—	—	3,010	21,759	24,769	788	25,557
Transfer of retained profits to statutory reserve	—	—	—	3,365	—	(3,365)	—	—	—
Final dividend declared and paid	—	—	—	—	—	(4,800)	(4,800)	—	(4,800)
Dividend declared and paid by a non-wholly owned subsidiary	—	—	—	—	—	—	—	(4,620)	(4,620)
	—	—	—	3,365	—	(8,165)	(4,800)	(4,620)	(9,420)
Balance at 30 September 2024									
(unaudited)	60,000	26,135	1	47,407	6,236	410,745	550,524	68,411	618,935

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Operating activities		
Net cash generated from operations	113,944	23,820
Income tax paid, net	(3,119)	(2,093)
NET CASH FROM OPERATING ACTIVITIES	110,825	21,727
Investing activities		
Interest received	1,862	1,550
Proceeds from disposal of property, plant and equipment	498	148
Placement of bank deposits with maturity over three months	(38,000)	(43,000)
Withdrawal of bank deposits with maturity over three months	45,000	48,000
Prepayments for acquisition of property, plant and equipment	—	(936)
Purchase of property, plant and equipment	(30,240)	(1,898)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(20,880)	3,864
Financing activities		
Repayment of bank borrowings	(54,000)	(33,000)
New bank borrowings raised	43,200	66,000
Receipts of government subsidies	265	196
Payment of lease liabilities	(2,824)	(2,656)
Dividend paid to owners of the Company	(7,800)	(4,800)
Dividend paid to non-controlling interests	—	(4,620)
Interest paid	(1,326)	(866)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(22,485)	20,254
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,460	45,845
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	109,504	111,475
Net foreign exchange difference	(485)	675
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTING BANK BALANCES AND CASH	176,479	157,995

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

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 address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business in Hong Kong is Workshop C, 31/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. 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 immediate holding company and controlling shareholder of the Company is KIG Real Estate Holdings Limited (“**KREH**”), a company incorporated in the British Virgin Islands.

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

This interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries in Hong Kong. The functional currency of those subsidiaries established in the People’s Republic of China (the “**PRC**”) and Malaysia is Renminbi (“**RMB**”) and Malaysian ringgit respectively.

This interim condensed consolidated financial information was approved by the directors of the Company for issue on 25 November 2025.

2. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. This interim condensed consolidated financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

3. Principal Accounting Policies

The interim condensed consolidated financial information has been prepared on the historical cost basis.

The accounting policies used in the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

4. Estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Group's annual financial statements for the year ended 31 March 2025 as described in those consolidated financial statements.

5. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2025.

There have been no changes in the risk management policies of the Group since 31 March 2025.

(b) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

5. Financial Risk Management (Continued)

(b) Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that the interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

	On demand or less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 30 September 2025 (Unaudited)					
Trade and other payables	165,874	—	—	165,874	165,874
Bank borrowings	67,206	—	—	67,206	65,400
	233,080	—	—	233,080	231,274
Lease liabilities	5,282	2,771	802	8,855	8,377

	On demand or less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2025 (Audited)					
Trade and other payables	127,394	—	—	127,394	127,394
Bank borrowings	76,621	—	—	76,621	75,600
	204,015	—	—	204,015	202,994
Lease liabilities	6,210	3,725	1,823	11,758	10,997

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

6. Revenue

Revenue represents sales of precision metal stamping products to external parties excluding sales-related taxes. The Group conducts its principal operation in Mainland China and Malaysia. Revenue from contracts with customers within the scope of HKFRS 15 are recognised at a point in time.

As at 30 September 2025 and 2024, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<i>Geographical region</i>		
South East Asia	343,849	240,167
The PRC	82,670	92,187
Europe	16,224	26,439
North America	11,538	13,005
Others	5,182	4,905
	459,463	376,703

7. Segment Information

The chief operating decision-makers ("CODM") are identified as the executive directors and senior management of the Group.

The Group operates in one business unit based on its products, and has only one reportable segment which is manufacturing and sale of precision metal products involving metal stamping, computer numerical control, sheet metal processing and products assembling. As such, no segmental analysis has been presented. Management monitors the operating results of its business unit for the purpose of making decisions about resources allocation and performance assessment.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

7. Segment Information (Continued)

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Geographic information

The non-current assets, other than deposits, of the Group as at 30 September 2025 and 31 March 2025 are as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
The PRC	297,702	297,665
South East Asia	46,684	30,051
Hong Kong	3,871	5,389
	348,257	333,105

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 September 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	—	255,567
Customer B	52,816	48,539
Customer C	322,855	—

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

8. Other (Losses)/Gains, Net

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Gain/(loss) on disposal of property, plant and equipment	223	(12)
Exchange (losses)/gains, net	(1,615)	1,974
Government subsidies (note)	265	196
Others	232	161
	(895)	2,319

Note: The amount represented the government subsidies with no unfulfilled conditions or contingencies and recognised as other gains upon receipts during the six months ended 30 September 2025 and 2024.

9. Finance Income and Finance Costs

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Finance income		
Interest income on bank balances and deposits	1,862	1,281
Interest income on other receivables	—	269
	1,862	1,550
Finance costs		
Interest expense on bank borrowings	1,027	572
Interest expense on lease liabilities	299	294
	1,326	866

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

10. Profit Before Tax

Profit before tax has been arrived at after charging:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cost of inventories sold	374,605	308,919
Depreciation of property, plant and equipment	11,410	10,367
Depreciation of right-of-use assets	3,848	3,605
Research and development expenses	11,028	9,449

11. Income Tax Expenses

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current income tax:		
— The PRC	4,890	2,935
— Withholding tax	—	869
Deferred income tax (note 23)	857	632
Total	5,747	4,436

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

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

11. Income Tax Expenses (Continued)

Below are the major tax jurisdictions that the Group operates in for the six months ended 30 September 2025 and 2024:

(a) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax was made for the six months ended 30 September 2025 and 2024 as there were no assessable profits generated in Hong Kong during the six months ended 30 September 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 subsidiaries, adjusted for items which are not taxable or deductible for the PRC EIT purpose. The statutory PRC EIT tax rate for the six months ended 30 September 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 company outside the PRC when the PRC subsidiary declares dividend out of profits earned after 1 January 2008. During the six months ended 30 September 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 fulfils certain requirements under the tax treaty arrangements between the PRC and Hong Kong.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

12. Earnings Per Share

Basic and diluted earnings per share

	Six months ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	29,853	21,759
Weighted average number of shares in issue ('000)	600,000	600,000
Basic and diluted earnings per share (HK cents per share)	4.98	3.63

Basic earnings per share for the six months ended 30 September 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 period.

Diluted earnings per share is same as basic earnings per share as the Company had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2025 and 2024.

13. Dividend

During the reporting period, the Board proposed a final dividend of HK\$1.3 cents per share in respect of the year ended 31 March 2025. The final dividend was declared in August 2025 and the final dividend of HK\$7,800,000 for the year ended 31 March 2025 was paid in September 2025.

No interim dividend was paid, declared or proposed during the six months ended 30 September 2025, nor has any interim dividend been proposed since the end of the reporting period (six months ended 30 September 2024: nil).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

14. Property, Plant and Equipment

Movement of property, plant and equipment for the periods:

	Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
At 1 April (audited)	242,775	256,146
Additions	25,218	2,921
Transfer to non-current assets held for sales (note 20)	(3,798)	—
Disposals	(275)	(160)
Depreciation	(11,410)	(10,367)
Exchange differences	41	3,392
At 30 September (unaudited)	252,551	251,932

15. Right-of-use Assets and Lease Liabilities

(i) Right-of-use assets

Right-of-use assets of approximately HK\$77,086,000 (31 March 2025: HK\$77,904,000) represents land use rights located in the PRC.

As at 30 September 2025, the Group has lease arrangements for office premises, factories, car parks and motor vehicles of approximately HK\$957,000, HK\$5,361,000, HK\$39,000 and HK\$2,282,000 (31 March 2025: HK\$1,888,000, HK\$6,669,000, HK\$103,000 and HK\$2,604,000), respectively. The lease terms are generally ranged from one to six years (31 March 2025: one to six years). The lease term for land is 50 years (31 March 2025: 50 years).

During the six months ended 30 September 2024, the Group entered into a new finance lease arrangement in respect of a motor vehicle with capital value of approximately HK\$1,452,000 (2025: nil) at the commencement of the lease.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

15. Right-of-use Assets and Lease Liabilities (Continued)

(ii) Lease liabilities

As at 30 September 2025, the carrying amount of lease liabilities was approximately HK\$8,377,000 (31 March 2024: HK\$10,997,000).

During the six months ended 30 September 2024, the Group entered into a new lease for a motor vehicle and recognised lease liabilities of approximately HK\$1,452,000 (2025: nil).

(iii) Amount recognised in profit or loss

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	3,848	3,605
Interest expense on lease liabilities	299	294

(iv) Others

At 30 September 2025 and 2024, there are no committed leases but not yet commenced.

During the six months ended 30 September 2025, the total cash outflow for leases amounted to approximately HK\$3,123,000 (30 September 2024: HK\$2,950,000) which includes payments of principal and interest portion of lease liabilities.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

16. Inventories

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Raw materials	58,332	67,226
Work in progress	20,231	16,966
Finished goods	55,163	61,869
	133,726	146,061

17. Trade Receivables

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade receivables (note)	179,654	180,153

Note: The Group normally grants credit periods of 30 to 120 days (31 March 2025: 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.

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Up to 3 months	174,308	157,465
3 to 6 months	2,249	21,788
6 months to 1 year	3,097	859
1 to 2 years	—	41
	179,654	180,153

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

18. Prepayments, Deposits and Other Receivables

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Non-current asset		
Prepayments and deposits	6,822	1,980
Current assets		
Prepayments, deposits and other receivables	27,600	29,710
	34,422	31,690
Less: allowance for impairment losses	—	—
	34,422	31,690

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

19. Cash and Cash Equivalents/Time Deposit with Maturity over Three Months

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Cash and bank balances	176,479	109,504
Bank deposits	36,000	43,000
	212,479	152,504
Less:		
Time deposit with maturity over three months (note)	(36,000)	(43,000)
Cash and cash equivalents	176,479	109,504

Note:

As at 30 September 2025, time deposit carries interest rate 2.05% per annum (31 March 2025: 3.10% per annum) with an original maturity of 6 months (31 March 2025: 6 months).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

20. Non-current Assets Classified as Held for Sale

On 29 September 2025, Kingdom Precision Metal (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Kingdom BSL Technology Sdn. Bhd ("KBT"), a related party (being Mr. Sun Kwok Wah Peter is the chairman of the Board, an executive director and one of the controlling shareholders of the Company and the ultimate beneficial owner of KBT), to dispose of certain of plant and machinery and equipment in Malaysia, at a consideration of HK\$3,900,000.

The disposal is expected to be completed within twelve months from the end of the current year and the property, plant and equipment with carrying amount of approximately HK\$3,798,000 is therefore classified as assets held for sales in the consolidated statement of financial position. The sales proceeds are exceed the net carrying amounts of the relevant assets and accordingly, no further impairment has been recognised. The disposal was negotiated under arm's length basis and approved by the board of directors' of the subsidiary. The disposal was completed subsequently in October 2025.

21. Share Capital and Share Premium

	Number of shares	Share capital HK\$'000	Share premium HK\$'000	Total HK\$'000
Ordinary shares of HK\$0.1 each				
Authorised				
At 30 September 2025 and				
31 March 2025	4,500,000,000	450,000		
Issued and fully paid				
At 30 September 2025 and				
31 March 2025	600,000,000	60,000	26,135	86,135

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

22. Reserves

(a) Capital reserve

During the year ended 31 March 2012, as part of the re-organisation, KFM Group Limited (“**KFM BVI**”) acquired 100% of the issued share capital of Kingdom Fine Metal Limited (“**KFM HK**”) on 11 October 2011 and KFM-HK acquired the issued share capital of 49% and 10% of Kingdom (Reliance) Precision Parts Manufactory Limited (“**KRP HK**”) and Kingdom Precision Product Limited (“**KPP HK**”) on 29 November 2011 and 29 December 2011 respectively, by allotting shares of KFM BVI to each of the respective companies’ then shareholders and gained 100% control of the companies. The subscription of new shares of KFM BVI was accounted for by the Group using merger method and approximately HK\$3,545,000 was recognised in capital reserve which mainly represented 100%, 49% and 10% of the aggregated issued share capital of KFM HK, KRP HK and KPP HK respectively.

On 13 September 2012, the Company acquired the entire equity interest in KFM BVI by (a) issuing and allotting 999,999 new shares of the Company to Kingdom International Group Limited (“**KIG**”), credited as fully paid; and (b) crediting as fully paid at par the one nil-paid share which was then registered in the name of KIG. As result of the subscription of new shares of the Company, approximately HK\$100,000 was debit to capital reserve.

During the year ended 31 March 2020, entire equity interest in KFM HK was disposed and resulting a debit of approximately HK\$1,087,000 to the capital reserve.

During the year ended 31 March 2022, entire equity interest in KRP BVI was disposed and resulting a debit of approximately HK\$2,357,000 to the capital reserve.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

22. Reserves (Continued)

(b) Statutory reserve

In accordance with the PRC laws and regulations, the PRC subsidiaries are required to transfer not less than 10% of their net profit as stated in the financial statements prepared under PRC accounting regulations to statutory reserves before the corresponding PRC subsidiaries can distribute any dividend. Such a transfer is not required when the amount of statutory reserves reaches 50% of the corresponding subsidiaries' registered capital. In addition, the PRC subsidiaries may make further contribution to the statutory reserve using its post-tax profits in accordance with resolutions of the shareholders of the PRC subsidiaries of the Company.

The statutory reserve shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to the existing owners in proportion to the existing ownership structure.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

23. Deferred Income Tax

The analysis of deferred income tax liabilities, after set off certain deferred tax assets against deferred tax liabilities of the same authority, is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Deferred income tax liabilities	(2,950)	(2,093)

The movements in deferred income tax assets and (liabilities) during the six months ended 30 September 2025 and 2024 are as follows:

	Lease liabilities HK\$'000	Right-of-use assets HK\$'000	Undistributable profits from subsidiaries HK\$'000	Total HK\$'000
At 1 April 2025 (audited)	432	(404)	(2,121)	(2,093)
(Charged)/credited to profit or loss (note 11)	(115)	113	(855)	(857)
At 30 September 2025 (unaudited)	317	(291)	(2,976)	(2,950)

	Lease liabilities HK\$'000	Right-of-use assets HK\$'000	Undistributable profits from subsidiaries HK\$'000	Total HK\$'000
At 1 April 2024 (audited)	672	(647)	(3,556)	(3,531)
(Charged)/credited to profit or loss (note 11)	(114)	114	(632)	(632)
At 30 September 2024 (unaudited)	558	(533)	(4,188)	(4,163)

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

24. Trade and Other Payables

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade payables (note)	150,784	113,990
Accruals and other payables	15,687	14,245
	166,471	128,235

Note:

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Up to 3 months	150,594	113,848
3 to 6 months	—	4
6 months to 1 year	78	69
1 to 2 years	112	69
	150,784	113,990

The average credit period on purchase of goods is from 30 to 120 days (31 March 2025: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

25. Bank Borrowings

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Unsecured bank borrowings	65,400	75,600

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within one year	65,400	75,600

As at 30 September 2025, the Group has fixed-rate borrowings denominated in RMB at fixed rates ranged from 2.50% to 2.80% (31 March 2025: 2.50% to 3.20%).

As at 30 September 2025 and 31 March 2025, the Group has variable-rate borrowings denominated in RMB floating rates calculated based on the Loan Prime Rate ("LPR").

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

25. Bank Borrowings (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Effective interest rate:		
Variable-rate borrowings	2.30% to 2.55%	2.55% to 2.80%

As at 30 September 2025, the Group's banking borrowings with carrying amount of approximately HK\$10,000,000 (31 March 2025: HK\$27,500,000) are subject to the fulfilment of covenants relating to certain financial ratios of a PRC subsidiary including debt asset ratio not higher than 60% (31 March 2025: 60%) and current ratio not less than 1.0 (31 March 2025: 1.0). If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 September 2025, none of the covenants relating to drawn down facilities had been breached (31 March 2025: nil).

26. Capital Commitments

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Authorised or contracted but not provided for:		
— Plant and machinery	1,926	1,324
— Leasehold improvement	1,145	—
	3,071	1,324

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

27. Significant Related Party Transactions

(a) Name and relationship with related parties

Name	Relationship
KREH	The immediate holding company and controlling shareholder of the Company
Golden Express Capital Investment Limited ("GECI")	A subsidiary of KREH

(b) Related party transactions

Except as disclosed elsewhere in the interim condensed financial information during the six months ended 30 September 2025 and 2024, the Group had the following transactions with related parties, which were entered into at terms mutually agreed by respective parties.

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Finance costs — interest expense on lease liabilities		
— GECI	44	46
Lease payments		
— GECI	1,025	1,025

Notes to the Interim Condensed Consolidated Financial Information (Continued)

For the six months ended 30 September 2025

27. Significant Related Party Transactions (Continued)

(c) Balances with a related company

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Lease liabilities		
— GECI	(1,010)	(1,991)

In 2024, the Group entered into three one-year leases in respect of one office premises and two carpark with GECI respectively. The amount of rent payable by the Group under the lease is approximately HK\$171,000 per month in total. In March 2025, the Group renewed the leases with same term. As at 30 September 2025, the carrying amount of such lease liabilities is approximately HK\$1,010,000 (31 March 2025: HK\$1,991,000).

(d) Key management compensation

Key management personnel includes directors and senior managements of the Company. The compensation paid or payable to key management personnel amounted to approximately HK\$4,163,000 for the six months ended 30 September 2025 (six months ended 30 September 2024: HK\$4,173,000).