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*This announcement, for which the directors (the “**Director(s)**”) of KML Technology Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**We**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **KML Technology Group Limited**

### **高萌科技集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8065)**

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

### **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

## **FINANCIAL HIGHLIGHTS**

Revenue of the Group for the nine months ended 31 December 2021 amounted to approximately Hong Kong dollars (“**HK\$**”) 129.8 million, representing a decrease of approximately HK\$46.3 million or approximately 26.3% as compared with the revenue of approximately HK\$176.1 million for the nine months ended 31 December 2020.

Gross profit of the Group for the nine months ended 31 December 2021 amounted to approximately HK\$36.9 million (2020: approximately HK\$49.1 million).

The net profit of the Group for the nine months ended 31 December 2021 amounted to approximately HK\$4.7 million (2020: approximately HK\$26.2 million).

The board of Directors (the “**Board**”) does not recommend a payment of an interim dividend for the nine months ended 31 December 2021 (2020: Nil).

## **FINANCIAL RESULTS**

The Board of the Company is pleased to announce the unaudited condensed consolidated third quarterly results of the Group for the nine months ended 31 December 2021, together with the unaudited comparative figures for the same period in 2020 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the nine months ended 31 December 2021*

		<b>Nine months ended</b>	
		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>129,775</b>	176,053
Cost of sales		<b>(92,881)</b>	(126,983)
Gross profit		<b>36,894</b>	49,070
Other income		<b>490</b>	12,783
Other gains and loss, net		<b>338</b>	236
Impairment losses on financial assets and contract assets, net of reversal		<b>(65)</b>	(90)
Administrative expenses		<b>(31,706)</b>	(32,327)
Finance costs	5	<b>(148)</b>	(218)
Profit before tax		<b>5,803</b>	29,454
Income tax expense	6	<b>(1,127)</b>	(3,226)
Profit and total comprehensive income for the period attributable to owners of the Company		<b>4,676</b>	26,228
Earnings per share attributable to ordinary equity holders of the Company	8		
Basic		<b>HK1.18 cents</b>	HK6.62 cents
Diluted		<b>HK1.17 cents</b>	HK6.61 cents

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Shares held under the share award scheme HK\$'000	Share-based payment reserves HK\$'000	Other reserves HK\$'000 (Note)	Accumulated profits HK\$'000	
<b>Nine months ended 31 December 2021</b>							
At 31 March 2021 and 1 April 2021 (audited)	4,025	40,507	(825)	920	14,791	132,393	191,811
Profit and total comprehensive income for the period	-	-	-	-	-	4,676	4,676
Equity-settled share option arrangements	-	-	-	57	-	-	57
Equity-settled share award arrangements	-	-	-	415	-	-	415
Vesting of shares under share award scheme	-	-	125	(125)	-	-	-
Forfeiture of share options	-	-	-	(143)	-	143	-
Dividend paid	-	(10,909)	-	-	-	-	(10,909)
At 31 December 2021 (unaudited)	<u>4,025</u>	<u>29,598</u>	<u>(700)</u>	<u>1,124</u>	<u>14,791</u>	<u>137,212</u>	<u>186,050</u>
<b>Nine months ended 31 December 2020</b>							
At 31 March 2020 and 1 April 2020 (audited)	4,000	47,552	(858)	305	14,791	100,396	166,186
Profit and total comprehensive income for the period	-	-	-	-	-	26,228	26,228
Equity-settled share option arrangements	-	-	-	639	-	-	639
Purchases of shares for the share award scheme	-	-	(142)	-	-	-	(142)
Equity-settled share award arrangements	-	-	-	298	-	-	298
Vesting of shares under share award scheme	-	-	176	(176)	-	-	-
Dividend paid	-	-	-	-	-	(7,931)	(7,931)
At 31 December 2020 (unaudited)	<u>4,000</u>	<u>47,552</u>	<u>(824)</u>	<u>1,066</u>	<u>14,791</u>	<u>118,693</u>	<u>185,278</u>

*Note:* The Group's other reserves mainly represent the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the reorganisation of the Group during the year ended 31 March 2018.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 31 December 2021*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 May 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, a consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

The Company's shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 October 2017. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of mechanical and electrical ("**M&E**") engineering solutions and services. The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company and its principal subsidiaries.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the nine months ended 31 December 2021 prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should read in conjunction with the Group's annual financial statements for the year ended 31 March 2021.

This condensed consolidated financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's audit committee.

## 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current period of the Group. These new and revised HKFRSs have no significant impact on the results or the financial position of the Group for the current and previous accounting periods. The Group has not applied any new standards or interpretation that is not yet effective for the period.

#### 4. REVENUE AND SEGMENTAL INFORMATION

An analysis of the Group's revenue for both periods is as follows:

	Nine months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Transportation Mission Critical System Solutions	24,219	34,089
Mobile Ticketing and Digital Payment Solutions and Services	21,338	30,782
Digital Fabrication and Maintenance Services	26,417	32,641
M&E Technology Solutions and Engineering Services	54,095	74,332
Sales of Products, Parts and Components	3,706	4,209
	<u>129,775</u>	<u>176,053</u>

#### Segment information

The Group's revenue during both periods was derived from:

(i) *Transportation Mission Critical System Solutions*

Provide our customers with a complete and convenient one-stop solution, which reduces their operations and management costs and mitigates the incompatibility risks of different transportation systems.

(ii) *Mobile Ticketing and Digital Payment Solutions and Services*

Provision of mobile ticketing and digital payment solution in adoption of multiple ePayment including quick response code (QR Code), credit cards, octopus and account-based ticketing and fare collection enabled by credit cards or mobile Apps conforming to the EMV specifications.

(iii) *Digital Fabrication and Maintenance Services*

Provision of computerised and advanced maintenance support services for various systems, terminals and equipment, including the replacement of parts/components, equipment upgrading and/or improvement modification.

(iv) *M&E Technology Solutions and Engineering Services*

Provision of M&E engineering systems such as railway station M&E engineering services and architectural works, train-borne systems provisions, trackside and depot M&E works and different kinds of renovation works.

(v) *Sales of Products, Parts and Components*

Provision of parts and components and customises certain products according to customers' requirements.

For the purposes of resource allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no separate analysis of this single segment is presented other than entity-wide disclosure.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>148</u>	<u>218</u>

## 6. INCOME TAX EXPENSE

	Nine months ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current – Hong Kong:		
Charge for the period	808	2,668
Deferred	<u>319</u>	<u>558</u>
	<u>1,127</u>	<u>3,226</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%).

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands pursuant to the rules and regulations in those jurisdictions.

## 7. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2021.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the nine months ended 31 December 2021 is based on the profit for the period attributable to owners of the Company of HK\$4,676,000 (2020: HK\$26,228,000), and the weighted average number of ordinary shares in issue less treasury shares held under share award scheme during the period of 396,872,000 (2020: 396,211,000).

The calculation of the diluted earnings per share amounts for the nine months ended 31 December 2021 is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue as used in the basic earnings per share calculation, and the weighted average number of 2,687,000 ordinary shares assumed to have been issued at no consideration on the deemed exercise of the shares held under share award scheme into ordinary shares.

## 9. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with its related parties:

	Nine months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchase of materials from Logistic Industrial Supply Company Limited ("Logistic Industrial") (Note a)	8	7
Rental payments K M L Limited (Note b)	<u>4,212</u>	<u>4,168</u>

Notes:

- (a) Logistic Industrial is a company over which Mr. Luk Kam Ming ("Mr. KM Luk") and Ms. Leung Kwok Yee have significant influence. The purchase prices of goods were mutually agreed between the parties.
- (b) K M L Limited is controlled by Mr. KM Luk. Rental payments were on a mutually-agreed basis.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Overview

The Group has been providing mechanical and electrical (“M&E”) engineering solutions and services in Hong Kong for over 40 years. We are diversifying our businesses and comprise mainly the provision of (i) transportation mission critical system solutions; (ii) mobile ticketing and digital payment solutions and services; (iii) digital fabrication and maintenance services; (iv) M&E technology solutions and engineering services; and (v) sales of products, parts and components. Depending on our customers’ needs and requirements, we provide a full spectrum of solutions and services covering design, equipment assembly, supply, installation, fabrication, testing, and commissioning and 7 x 24 maintenance support.

During the nine months ended 31 December 2021, the Group has submitted 288 tenders and quotations to our customers (2020: 272 tenders and quotations) with 95 contracts being awarded (2020: 107 contracts). As at 31 December 2021, the Group had outstanding contracts in hand value at approximately HK\$542.2 million (2020: approximately HK\$323.2 million) including approximately HK\$275.2 million (2020: approximately HK\$64.7 million) were awarded during the nine months ended 31 December 2021.

### Transportation Mission Critical System Solutions

The Group possesses technologies and know-how in the Hong Kong Transportation Mission Critical System Solutions market and have strong system integration capabilities. Our comprehensive offerings enable us to provide our customers with a complete and convenient one-stop solution, which reduces their operations and management costs and mitigates the incompatibility risks of different transportation systems. The Group has extensive experience to the works in relation to the railway signalling, communication and control system and platform screen door (PSD) system.

For the nine months ended 31 December 2021, revenue generated from this segment amounted to approximately HK\$24.2 million (2020: approximately HK\$34.1 million). The major projects in progress during the nine months ended 31 December 2021 included:

- provision of platform gap light-emitting diode (LED) flashing lights system for certain railway lines
- provision of pedestrian warning system at some hotspot locations
- improvement of the signalling power supply network’s reliability of a railway line
- provision of installation service for signalling system at a railway line
- provision of installation service for the train intelligent detection system at a railway line

As at 31 December 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$50.7 million, including a new major project of provision of optical fibre network between various railway stations which amounted to approximately HK\$17.7 million.

### **Mobile Ticketing and Digital Payment Solutions and Services**

This segment offers mobile ticketing and digital payment solutions and services to different sectors in Hong Kong and overseas. The Group's capabilities in payment solution adoption of quick response code ("QR Code"), credit cards, octopus, multiple ePayment including QR Code and account-based ticketing and fare collection system enabled by credit cards or mobile Apps conforming to the EMV specifications have provided us with increasing numbers of business opportunities as digital payment and mobile ticketing have been penetrating to our everyday activities. The major projects in progress during the nine months ended 31 December 2021 included:

- replacement and upgrading of automatic fare collection ("AFC") gates and ticket issuing machines for various railway lines
- supply and installation of lane equipment for ePayment system for the Cross Harbour Tunnel
- supply of AFC equipment for Taoyuan Airport MRT
- application of QR Code for Travel on MTR

For the nine months ended 31 December 2021, revenue generated from this segment amounted to approximately HK\$21.3 million (2020: approximately HK\$30.8 million). As at 31 December 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$158.8 million, including a new major project of upgrading of AFC gates for a railway line which amounted to approximately HK\$34.9 million.

### **Digital Fabrication and Maintenance Services**

This segment mainly offers computerised and advanced maintenance support services for various systems, terminals and equipment, including the replacement of parts/components, equipment upgrading or improvement modification, provision of upgrade and/or replacement services for both hardware and/or software, testing, and provision of routine preventive, corrective and workshop maintenance services. During the reporting period, the major maintenance projects included:

- maintenance of trackside signalling equipment for a high-speed railway line
- maintenance and enhancement of AFC equipment and security systems at various railway lines
- maintenance of various access control equipment and carpark system at different premises of a major bank in Hong Kong

For the nine months ended 31 December 2021, revenue generated from this segment amounted to approximately HK\$26.4 million (2020: approximately HK\$32.6 million). As at 31 December 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$44.9 million.

### **M&E Technology Solutions and Engineering Services**

M&E Technology Solutions and Engineering Services continued to be the largest business segment of the Group in the reporting period in terms of revenue. Its capabilities encompass design, installation, testing and commissioning and maintenance of miscellaneous M&E engineering systems such as railway station M&E engineering services and architectural works, train-borne systems provisions, trackside and depot M&E works and different kinds of renovation works. For the nine months ended 31 December 2021, revenue generated from this segment amounted to approximately HK\$54.1 million (2020: approximately HK\$74.3 million). The major projects in progress during the reporting period included:

- replacement and modification of smoke curtains at two railway lines
- standardisation of shop signs at a railway line
- replacement of trackside advertising panels along a railway line and a railway station
- improvement of environmental control system (ECS) at various railway stations
- installation of local intrusion buzzer alarm at various railway stations

As at 31 December 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$283.4 million, including (i) a new project of supply and installation of ventilation fans at various railway stations; (ii) a new project awarded in relation to the provision of design works on the electric vehicle (“EV”) charging facilities; and (iii) six additional new projects awarded in relation to the “EV-charging at Home Subsidy Scheme” (“EHSS”). EHSS is a government pilot scheme to encourage and subsidise the installation of EV charging-enabling infrastructure (“EVCEI”) in private car parks in order to support the wider use of electric private cars in Hong Kong. The Group’s role is to provide professional consultancy services for design and project management of the installation of EVCEI.

## **Sales of Products, Parts and Components**

The Group sources certain parts and components and sometime customises certain products to our customers according to their requirements. We primarily supply railway signalling and AFC related products, parts and components.

For the nine months ended 31 December 2021, revenue generated from this segment amounted to approximately HK\$3.7 million (2020: approximately HK\$4.2 million). As at 31 December 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$4.4 million, including a new order of supply of spare parts and components for AFC equipment for Taoyuan Airport MRT which amounted to approximately HK\$3.3 million.

## **OUTLOOK**

During the nine months ended 31 December 2021, the Group has submitted 288 tenders and quotations to our customers (2020: 272 tenders and quotations) with 95 contracts being awarded (2020: 107 contracts). Among the 288 tenders and quotations submitted for the nine months ended 31 December 2021, 107 tenders and quotations were in relation to EHSS. As at 31 December 2021, the Group has been awarded with a total of nine consultancy service contracts in relation to the EHSS and one contract in relation to the design of EV charging facilities from different customers. The Group will continue to explore more potential opportunities including those relating to the upgrade of power system as a result of the installation of EV chargers, in order to enhance the benefit of the shareholders of the Company. Meanwhile, the Group is expecting the issuance of installation service tenders in relation to the EHSS in the first to second quarter of year 2022.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group for the nine months ended 31 December 2021 amounted to approximately HK\$129.8 million, representing a decrease of approximately HK\$46.3 million or approximately 26.3% as compared with approximately HK\$176.1 million for the nine months ended 31 December 2020. Such decrease was mainly due to (i) major work progress of significant projects were completed during the nine months ended 31 December 2020; and (ii) projects in hand at the reporting period are at their early stage that revenue recognised is not substantial.

## **Cost of Sales and Gross Profit**

The majority of the Group's cost of sales comprised (i) material and equipment; (ii) direct labour; and (iii) subcontracting cost. The cost of sales decreased by approximately 26.9% from approximately HK\$127.0 million for the nine months ended 31 December 2020 to approximately HK\$92.9 million for the nine months ended 31 December 2021. The gross profit of the Group decreased by approximately 24.8% from approximately HK\$49.1 million for the nine months ended 31 December 2020 to approximately HK\$36.9 million for the nine months ended 31 December 2021. The decrease in gross profit is mainly due to the decrease of revenue as discussed above.

## **Administrative Expenses**

The Group's administrative expenses have decreased by 1.9% from approximately HK\$32.3 million for the nine months ended 31 December 2020 to approximately HK\$31.7 million for the nine months ended 31 December 2021.

## **Profit attributable to owners of the Company**

The Group recorded net profit attributable to the owners of the Company of approximately HK\$4.7 million for the nine months ended 31 December 2021 (2020: net profit approximately HK\$26.2 million). The difference is mainly due to (i) the absence of any government subsidy for the nine months ended 31 December 2021 while approximately HK\$10.7 million was received for the nine months ended 31 December 2020; and (ii) the decrease in revenue as a result of (a) more major work progress of significant projects were completed during the nine months ended 31 December 2020; and (b) projects in hand for the nine months ended 31 December 2021 are at their early stage that revenue recognised is not substantial.

## **Dividend**

The Board does not recommend a payment of an interim dividend for the nine months ended 31 December 2021 (2020: Nil).

## **SUBSEQUENT EVENT AFTER REPORTING PERIOD**

As at the date of this announcement (i.e. 7 February 2022) (the "**Date of this Announcement**"), there were no subsequent events after this reporting period.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholder(s)**”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the nine months ended 31 December 2021, the Company has complied with all applicable code provisions of the CG Code.

### **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions in the securities of the Company. Having made specific enquiries of all the Directors, each of the Director has confirmed that he has complied with the required standard of dealings during the nine months ended 31 December 2021.

### **AUDIT COMMITTEE AND REVIEW OF ACCOUNTS**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee comprises three members, namely Mr. Lau On Kwok (chairman), Mr. Law Wing Chi Stephen and Dr. Tse Chi Kong, all of them are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed financial reporting matters of the Company, including the review of the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2021 and this result announcement. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2021 comply with the applicable accounting standards and that adequate disclosures have been made.

### **CHANGES TO DIRECTORS’ INFORMATION**

As at the Date of this Announcement, the Directors confirm that no information is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

During the nine months ended 31 December 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required (i) 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 short positions which they were taken or deemed to have taken under such provisions of the SFO); or (ii) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Capacity/ Nature of Interest	Number of Shares/ underlying Shares held/ interested	Long/short position <sup>(5)</sup>	Approximate percentage of Shareholding in the Company <sup>(6)</sup> (%)
Mr. Luk Kam Ming (“Mr. KM Luk”) <sup>(1)</sup>	Beneficial owner; interest of spouse	157,000,000	L	39.01
Mr. Luk Kwai Lung (“Mr. KL Luk”) <sup>(2)</sup>	Interest in controlled corporation	138,000,000	L	34.29
Mr. Luk Yin Cheung (“Mr. YC Luk”) <sup>(2)(3)</sup>	Interest in controlled corporation; interest of spouse	138,600,000	L	34.43
Mr. Chan Chak Lun Philip (“Mr. CL Chan”) <sup>(4)</sup>	Beneficial owner	4,000,000	L	0.99

### Notes:

- (1) Mr. KM Luk directly holds 100,000,000 shares (“Shares”). Since Mr. KM Luk is the spouse of Ms. Leung Kwok Yee (“Madam Leung”), Mr. KM Luk is deemed to be interested in all the Shares in which Madam Leung is interested or deemed to be interested under the SFO, which is 57,000,000 Shares.
- (2) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings Limited (“KML Holdings”), representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk are deemed to be interested in all Shares in which KML Holdings is interested or deemed to be interested under the SFO, which is 138,000,000 Shares.
- (3) Since Mr. YC Luk is the spouse of Ms. Woo Siu Wai (“Madam Woo”), Mr. YC Luk is deemed to be interest in all the Shares in which Madam Woo is interested or deemed to be interested under the SFO, which is 600,000 Shares.

- (4) Mr. CL Chan directly holds 2,000,000 Shares and was interested as a grantee of options to subscribe for up to 2,000,000 Shares under the Share Option Scheme (announced on 2 January 2020).
- (5) The Letter “L” denotes the entity/person’s long position in the Shares.
- (6) As at 31 December 2021, the total number of issued Shares were 402,500,000.

Save as disclosed above, as at 31 December 2021, none of the Directors or the chief executive of the Company had or was deemed to have any 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 SFO) that was 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 short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules.

### **SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 December 2021, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

<b>Name</b>	<b>Capacity/ Nature of Interest</b>	<b>Number of Shares/ underlying Shares held/ interested</b>	<b>Long/short position <sup>(5)</sup></b>	<b>Approximate percentage of Shareholding in the Company <sup>(6)</sup> (%)</b>
KML Holdings <sup>(1)</sup>	Beneficial owner	138,000,000	L	34.29
Madam Leung <sup>(2)</sup>	Beneficial owner; interest of spouse	157,000,000	L	39.01
Ms. Chan Patricia <sup>(3)</sup>	Interest of spouse	138,000,000	L	34.29
Madam Woo <sup>(4)</sup>	Beneficial owner; interest of spouse	138,600,000	L	34.43

*Notes:*

- (1) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings, representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk also own approximately 50% and approximately 50%, respectively, of the issued preferred shares in KML Holdings which do not carry voting rights but only rights to dividends.
- (2) Madam Leung is the spouse of Mr. KM Luk. By virtue of the SFO, Madam Leung is deemed to be interested in all the Shares in which Mr. KM Luk is interested or deemed to be interested under the SFO, and vice versa.
- (3) Ms. Chan Patricia is the spouse of Mr. KL Luk. By virtue of the SFO, Ms. Chan Patricia is deemed to be interested in all the Shares in which Mr. KL Luk is interested or deemed to be interested under the SFO.
- (4) Madam Woo is the spouse of Mr. YC Luk. By virtue of the SFO, Madam Woo is deemed to be interested in all the Shares in which Mr. YC Luk is interested or deemed to be interested under the SFO, which is 138,000,000 Shares. Madam Woo directly holds 300,000 Shares and was interested as a grantee of options to subscribe for up to 300,000 Shares under the Share Option Scheme (announced on 2 January 2020)
- (5) The Letter “L” denotes the entity/person’s long position in the Shares.
- (6) As at 31 December 2021, the total number of issued Shares were 402,500,000.

Save as disclosed above, as at 31 December 2021, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the nine months ended 31 December 2021 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

## **DIRECTORS’, CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS**

For the nine months ended 31 December 2021, none of the Directors, controlling Shareholders or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

On behalf of the Board  
**KML Technology Group Limited**  
**Luk Kam Ming**  
*Chairman and Executive Director*

Hong Kong, 7 February 2022

*As at the Date of this Announcement, the executive Directors are Mr. LUK Kam Ming, Mr. CHAN Chak Lun Philip, Mr. LUK Kwai Lung and Mr. LUK Yin Cheung; and the independent non-executive Directors are Mr. LAU On Kwok, Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of publication and on the website of the Company at [www.kml.com.hk](http://www.kml.com.hk).*