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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

CHARACTERISTICS OF 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 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 year ended 31 March 2026 (the "**Reporting Year**") amounted to approximately Hong Kong dollars ("**HK$**") 143.0 million (2025: approximately HK$196.1 million).

Gross profit of the Group for the Reporting Year amounted to approximately HK$24.7 million (2025: approximately HK$39.1 million).

The net loss of the Group for the Reporting Year amounted to approximately HK$11.4 million (2025: net profit of approximately HK$0.1 million).

The Board does not recommend the payment of a final dividend for the Reporting Year (2025: nil).

FINANCIAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the consolidated results of the Group for the Reporting Year, together with the comparative figures for the year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
REVENUE	3	**142,953**	196,105
Cost of sales		**(118,217)**	(156,970)
Gross profit		**24,736**	39,135
Other income		**3,093**	2,806
Other gains and losses, net		**514**	(21)
Impairment losses on financial assets and contract assets, net		**(30)**	(33)
Administrative expenses		**(39,281)**	(41,295)
Finance costs	4	**(358)**	(483)
(LOSS)/PROFIT BEFORE TAX	5	**(11,326)**	109
Income tax expense	6	**(74)**	(12)
(LOSS)/PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(11,400)**	97
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		**HK(2.83) cents**	HK0.02 cents
Diluted		**HK(2.83) cents**	HK0.02 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,847**	2,402
Right-of-use assets		**686**	6,085
Deposits	*10*	**1,452**	1,713
Financial assets at fair value through profit or loss		**6,918**	6,599
Total non-current assets		**10,903**	16,799
CURRENT ASSETS			
Inventories		**415**	415
Trade receivables	*9*	**26,620**	40,414
Other receivables, deposits and prepayments	*10*	**4,641**	3,727
Contract assets		**55,789**	72,894
Financial assets at fair value through profit or loss		**317**	675
Tax recoverable		**86**	–
Pledged bank deposits		**25,527**	24,912
Time deposits with original maturity over three months		**310**	304
Bank balances and cash		**45,345**	35,168
Total current assets		**159,050**	178,509
CURRENT LIABILITIES			
Trade and retention payables	*11*	**14,877**	17,533
Other payables and accruals		**13,204**	10,871
Bank borrowings	*12*	**5,000**	–
Lease liabilities		**335**	6,027
Contract liabilities		**5,159**	19,568
Provision for contract works	*13*	**5,776**	4,669
Tax payable		**199**	52
Total current liabilities		**44,550**	58,720
NET CURRENT ASSETS		**114,500**	119,789
TOTAL ASSETS LESS CURRENT LIABILITIES		**125,403**	136,588

	Note	**2026**	2025
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**358**	163
Deferred tax liabilities		**28**	14
Total non-current liabilities		**386**	177
Net assets		**125,017**	136,411
EQUITY			
Share capital	*14*	**4,050**	4,050
Reserves		**120,967**	132,361
Total equity		**125,017**	136,411

NOTES TO THE FINANCIAL INFORMATION

For the year ended 31 March 2026

1. CORPORATE AND GROUP INFORMATION

KML Technology Group Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is 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 principal activity of the Company is investment holding and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the provision of mechanical and electrical ("**M&E**") engineering solutions and services.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and joint operation for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

3. REVENUE AND SEGMENT INFORMATION

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

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Transportation Mission Critical System Solutions	**20,019**	18,291
Mobile Ticketing and Digital Payment Solutions and Services	**33,617**	44,436
M&E Technology Solutions and Engineering Services	**52,162**	100,856
Digital Fabrication and Maintenance Services	**32,669**	30,320
Sales of Products, Parts and Components	**4,486**	2,202
	142,953	196,105

(a) Disaggregated revenue information

	2026	2025
	HK$'000	*HK$'000*
By timing of revenue recognition:		
Transferred at a point in time	**4,486**	2,202
Transferred over time	**138,467**	193,903
Total revenue from contracts with customers	**142,953**	196,105

(b) Performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the reporting period are as follows:

2026

	Transportation Mission Critical System Solutions	**Mobile Ticketing and Digital Payment Solutions and Services**	**M&E Technology Solutions and Engineering Services**	**Digital Fabrication and Maintenance Services**	**Others**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Within one year	**35,888**	**39,119**	**61,499**	**27,611**	**225**
More than one year	**17,120**	**39,533**	**21,004**	**32,264**	**–**
	53,008	**78,652**	**82,503**	**59,875**	**225**

2025

	Transportation Mission Critical System Solutions *HK$'000*	Mobile Ticketing and Digital Payment Solutions and Services *HK$'000*	M&E Technology Solutions and Engineering Services *HK$'000*	Digital Fabrication and Maintenance Services *HK$'000*	Others *HK$'000*
Within one year	29,078	45,950	75,440	24,571	322
More than one year	2,712	47,783	40,248	41,785	–
	31,790	93,733	115,688	66,356	322

Segment information

The Group's operating income was derived from the provision of M&E engineering solutions and services during both years. For the purposes of resource allocation and performance assessment, the chief operating 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.

Geographical information

The Group's revenue from external customers based on the places of operation of customers and non-current assets by jurisdictions based on the location of the assets are detailed below:

	Revenue		**Non-current assets**	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
			(note)	*(note)*
Hong Kong	**121,313**	195,031	**2,533**	8,487
Taiwan	**426**	54	**–**	–
Others	**21,214**	1,020	**–**	–
	142,953	196,105	**2,533**	8,487

Note: Non-current assets comprise property, plant and equipment and right-of-use assets.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2026	2025
	HK$'000	*HK$'000*
Interest on bank borrowings	**144**	197
Interest on lease liabilities	**214**	286
Total	**358**	483

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	2026	2025
	HK$'000	*HK$'000*
Cost of sales		
– Transportation Mission Critical System Solutions, Mobile Ticketing and Digital Payment Solutions and Services, and M&E Technology Solutions and Engineering Services	**93,152**	141,950
– Others	**25,065**	15,020
Depreciation of property, plant and equipment	**992**	1,484
Depreciation of right-of-use assets	**5,936**	5,937
Auditor's remuneration	**1,260**	1,390
Directors' remuneration	**4,121**	3,745
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Salaries and other benefits*	**64,101**	65,409
Retirement benefit scheme contributions	**2,491**	2,730
Equity-settled share-based payment expenses	**–**	123
Total employee benefit expenses	**66,592**	68,262
Lease payments not included in the measurement of lease liabilities	**–**	74

* For the year ended 31 March 2026, HK$43,360,000 (2025: HK$47,910,000) of salaries and other benefits is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

	2026	2025
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**71**	12
Overprovision in prior years	**(11)**	(70)
Deferred	**14**	70
Total tax expense for the year	**74**	12

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 March 2026.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 March 2025, 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% and the remaining assessable profits are taxed at 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

No dividend was paid or declared by any group entity for the years ended 31 March 2026 and 2025 nor has any dividend proposed since the end of the reporting period.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share is based on the loss of HK$11,400,000 (2025: profit of HK$97,000) for the year attributable to owners of the Company, and the weighted average number of ordinary shares outstanding less treasury shares held under share award scheme during the year of 403,171,000 (2025: 402,824,000).

In respect of the year ended 31 March 2026, no adjustment has been made to the basic loss per share amounts presented in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

	2026	2025
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/profit for the year attributable to ordinary equity holders of the Company, used in the basic (loss)/earnings per share calculation	**(11,400)**	97

	Number of shares	
	2026	2025
	'000	*'000*
Shares		
Weighted average number of ordinary shares outstanding less treasury shares held under the share award scheme during the year used in the basic (loss)/earnings per share calculation	**403,171**	402,824
Effect of dilution – weighted average number of ordinary shares		
Share awards	**–**	385
	403,171	403,209

9. TRADE RECEIVABLES

The Group grants credit terms of 30 to 60 days to its customers from the date of invoices on progress billings of contract and maintenance works and sales of goods. An ageing analysis of the trade receivables is presented based on the invoice date at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**13,345**	25,864
31 to 60 days	**6,476**	10,931
61 to 90 days	**6,100**	3,511
Over 90 days	**791**	168
	26,712	40,474
Less: Accumulated loss allowance	**(92)**	(60)
Total	**26,620**	40,414

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026	2025
	HK$'000	*HK$'000*
Non-current:		
Deposits	**1,452**	1,713
Current:		
Advances to suppliers	**3,393**	2,026
Prepayments	**923**	825
Interest receivables	**169**	475
Others	**156**	401
Subtotal	**4,641**	3,727
Total	**6,093**	5,440

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

11. TRADE AND RETENTION PAYABLES

The credit period on purchases and subcontracting of contract work services ranges from 30 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	Notes	**2026** ***HK$'000***	2025 *HK$'000*
Trade payables:	*(a)*		
Within 30 days		**5,264**	8,055
31 to 60 days		**2,842**	3,329
61 to 90 days		**749**	183
91 to 365 days		**336**	255
Over 365 days		**100**	156
		9,291	11,978
Retention payables	*(b)*	**5,586**	5,555
Total trade and retention payables		**14,877**	17,533

Notes:

(a) As at 31 March 2026, trade payables of HK$115,000 were denominated in US$. As at 31 March 2025, trade payables of HK$43,000 were denominated in RMB and HK$4,000 were denominated in US$.

(b) Retention payables to sub-contractors of contract work are interest-free and payable by the Group after the completion of the maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the completion dates of the respective contracts.

12. BANK BORROWINGS

As at 31 March 2026, the Group has HK$5,000,000 (2025: nil) outstanding bank borrowings. The bank borrowings borne interests of 4.06%-4.59% per annum and repayable within one year, and were denominated in HK$ and secured by pledged deposits of HK$25,527,000 and deposits paid for life insurance products of HK$6,918,000.

13. PROVISION FOR CONTRACT WORKS

	2026	2025
	HK$'000	*HK$'000*
At beginning of year	**4,669**	9,237
Additional provision	**5,776**	–
Amount utilised during the year	**(4,669)**	(4,568)
At end of year	**5,776**	4,669

The Group recognises provision for contract works when the costs of meeting the performance obligations under the revenue contracts exceed the economic benefits expected to be received. The amount of provision is estimated based on contract costs to completion. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

14. SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2026 and 2025	38,000,000	38,000
Issued and fully paid:		
At 31 March 2026	**404,960**	**4,050**
At 31 March 2025	404,960	4,050

15. COMMITMENTS

The Group had no material capital commitments as at 31 March 2026 (2025: nil).

16. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the year ended 31 March 2026:

	2026	2025
	HK$'000	*HK$'000*
Rental payments		
K M L Limited *(note)*	**5,735**	5,735

Note: K M L Limited is controlled by Mr. KM Luk. Rental payments were on a mutually-agreed basis.

17. SHARE OPTION SCHEME

The Group recognised a share option expense of HK$53,000 during the year ended 31 March 2025. During the year ended 31 March 2025, 1,000,000 share options were forfeited due to the resignation of certain employees of the Group and 5,300,000 share options were lapsed due to expiry, resulting in the transfer of the corresponding share-based payment reserve of HK$684,000 to accumulated profits/(losses).

At at 31 March 2026, the Company had 5,900,000 (2025: 5,900,000) share options outstanding under the share option scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,900,000 (2025: 5,900,000) additional ordinary shares of the Company and additional share capital of HK$59,000 (2025: HK$59,000) and share premium of HK$950,000 (2025: HK$950,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 5,900,000 share options outstanding under the share option scheme, which represented approximately 1.5% of the Company's shares in issue as at that date; and the total number of shares available for further issuance pursuant to the share option scheme was 12,000,000, representing approximately 3% of the Company's shares in issue as at that date.

18. SHARE AWARD SCHEME

Equity-settled share award arrangement expense of HK$6,000 was recognised during the year ended 31 March 2026 (2025: HK$73,000).

The fair value of share awards granted during the year was estimated as at the date of grant by reference to the closing price per share as stated in the daily quotation sheets issued by the Stock Exchange, taking into account all non-vesting conditions associated with the grants. The expected dividends during the vesting period were taken into account in the measurement of fair value.

During the year ended 31 March 2026, 385,000 shares were vested to eligible participants under the share award scheme (2025: 1,310,000).

At the date of approval of these financial statements, the Company had 1,690,000 shares held under the share award scheme, which represented approximately 0.4% of the Company's shares in issue as at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the Reporting Year, approximately HK$143.0 million (2025: approximately HK$196.1 million) revenue was generated, representing a decrease of approximately HK$53.1 million or 27.1%.

The gross profit for the Reporting Year was approximately HK$24.7 million (2025: approximately HK$39.1 million). The decrease in gross profit was mainly attributed to (i) the decrease in revenue; and (ii) additional provision for onerous contracts recognised in the Reporting Year.

The Group's outstanding contracts-in-hand was approximately HK$274.3 million as at 31 March 2026 (2025: approximately HK$307.9 million).

Transportation Mission Critical System Solutions

This type of works in relation to the railway signalling, communication and control system and point operating equipment.

During the Reporting Year, revenue generated from this segment amounted to approximately HK$20.0 million (2025: approximately HK$18.3 million). The increase of approximately 9.3% is mainly due to the steady progress of the projects and new projects were awarded in the Reporting Year.

Mobile Ticketing and Digital Payment Solutions and Services

These services offer mobile ticketing and digital payment solutions and services to different sectors in Hong Kong and overseas.

During the Reporting Year, revenue generated from this segment amounted to approximately HK$33.6 million (2025: approximately HK$44.4 million). The decrease of approximately 24.3% was mainly due to the higher completion percentage of major projects in hand in relation to installation of automatic fare collection ("**AFC**") systems in 2025.

Digital Fabrication and Maintenance Services

These services primarily provide computerised and advanced maintenance support services for various systems such as AFC system and trackside signalling system, terminals, and equipment. This includes part/component replacement, equipment upgrades and improvements, hardware and software upgrade/replacement services, testing, and routine preventive, corrective, and workshop maintenance services.

During the Reporting Year, revenue generated from the provision of these services increased by HK$2.4 million or 7.9%, which was mainly attributable to the contracts awarded in the Reporting Year, compared to last year amounted to approximately HK$32.7 million (2025: approximately HK$30.3 million).

M&E Technology Solutions and Engineering Services

Mechanical and Electrical ("**M&E**") Technology Solutions and Engineering Services 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.

During the Reporting Year, revenue generated from this segment amounted to approximately HK$52.2 million (2025: approximately HK$100.9 million). The decrease of approximately 48.3% is mainly due to the completion of several large projects in 2025.

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.

During the Reporting Year, revenue generated from this segment amounted to approximately HK$4.5 million (2025: approximately HK$2.2 million). The increase was due to more orders received from customers.

Environmental, Social and Governance

The Group is committed to a path of sustainable growth, viewing environmental, social, and governance ("**ESG**") principles as essential components of our long-term corporate strategy. Throughout the Reporting Year, we have worked to further embed these values into our daily operations and organisational culture, ensuring that our progress translates into enhanced stakeholder trust and operational resilience.

In our journey toward strengthening governance, we have prioritised the maintenance of high ethical and digital standards. The Group sustained its track record by achieving the "Gold Tier" under the Cyber Security Staff Awareness Recognition Scheme 2025 and the Silver Award of the Privacy-Friendly Award 2025. These repeat honours reflect our consistent efforts on fostering cybersecurity vigilance and protecting data privacy in an increasingly complex digital environment.

A key milestone in our governance evolution this year was the formal publication of our Sustainable Procurement Policy. This brand-new framework serves as a vital internal guide, empowering our employees to integrate ESG-related criteria into the Group's purchasing decisions. By codifying these expectations, we are taking a structured step toward ensuring that our corporate values are upheld throughout our supply chain.

In our pursuit of environmental stewardship, the Group has prioritised practical operational upgrades, such as replacing legacy air-conditioning unit with high-efficiency model and establishing regular food recycling point to promote better waste management. To better understand our position within the evolving sustainability landscape, we also participated in the HKQAA Climate Impact GPS Pilot Program, and this engagement served as a valuable benchmarking exercise, allowing the Group to build internal knowledge and assess our readiness against emerging international climate standards and best practices.

Our Social commitment remains a cornerstone of our identity, focused on both our current workforce and the generations to come. We were honoured with the Safety Performance Award (Outstanding Award) and commended as a "Harmony@Workplace Organisation 2025-26" for our holistic approach to employee well-being. We continue to innovate in workplace safety through the digitalisation of safety risk assessment process via in-house developed mobile applications. We are delighted to be recognised as a Caring Company for the 18th consecutive year, achieving an "Above-average Performance" rating under the latest rigorous assessment framework.

As a reflection of our progress to date, a third-party sustainability assessment has placed us in the upper half of all companies rated in the past year. This has earned us a "Committed" badge, which we view as a baseline for our future evolution. Moving forward, we will focus our improvement efforts on deepening our environmental policies and further advancing the practical application of our sustainable procurement practices to create lasting value for all stakeholders.

For comprehensive data and disclosures, please refer to our standalone ESG Report.

OUTLOOK

Public transportation will remain the core domain of the Group. Despite prevailing uncertainties in the operating environment, we remain positive about the prospects of the sector. With the commencement of new railway developments in Hong Kong, we see a steady pipeline of opportunities ahead. As a specialist in M&E works within the public transportation sector, the Group is well-positioned to contribute to these projects and support the development of sustainable and efficient transportation infrastructure.

Our operational strategy is heavily guided by several evolving industry trends and targeted business verticals:

- **Railway and Infrastructure Projects:** Our core expertise in operating metro railway and Hong Kong Government M&E projects provides a strong foundation for future revenue. The ongoing expansion of the local transportation network ensures a continuous demand for our specialised capabilities, anchoring our medium– term recovery and growth prospects.

- **Smart Mobility and ePayment Horizons:** The Hong Kong Government's rigorous push for smart city development reinforces the city's transition to a cashless ecosystem. This is evidenced by recent regulatory milestones, such as the April 2026 mandate requiring all taxis in Hong Kong to provide digital e-payment methods. This macroeconomic shift heavily bolsters our core expertise in AFC, ticketing, and ePayment solutions tailored for local transportation networks, public swimming pools, and racecourse. In addition, we have developed several AI applications for our automatic fare collection systems, which have already been in trial-run. We plan to progressively introduce these solutions to a broader customer base on a project basis.

- **EV Charging Expansion:** As a government-listed electrical contractor with solid experience in Electrical Vehicle ("**EV**") charging infrastructure, we note strong market momentum in this sector. Hong Kong's aggressive transition roadmap aims to expand EV charging parking spaces to approximately 200,000 by mid-2027, backed by public commitments like the recent HK$300 million fast– charging incentive scheme. Our technical capabilities in specialised electrical installations position us favourably to capitalise on this surging public and private sector demand.

- **AI Integration:** Technological advancement remains a key driver of our operational strategy. The adoption of AI is accelerating across industries, and we have deployed AI tools in our administrative functions to enhance efficiency and reduce costs. Building on this foundation, we are expanding AI applications into our operational processes to further improve productivity and execution quality.

NAVIGATING CHALLENGES WITH AGILITY

Labour and skilled technician shortages continue to be a key industry challenge, particularly for experienced personnel with specialised technical expertise. The nature of our work, including night-shift requirements, further exacerbates this issue. To address this, we have not only actively recruited talent from the existing market, but also proactively collaborated with educational institutions to build a pipeline of emerging talent, ensuring a sustainable supply of skilled professionals to support our future growth.

Moreover, leveraging our experience during the year, particularly in achieving cost efficiencies and improving responsiveness, we will continue to strengthen collaboration with vendors in the Greater Bay Area of China. This will enable us to optimise procurement, reduce project costs, and enhance delivery efficiency without compromising quality.

Overall, supported by a solid project pipeline, ongoing technological advancement, and a disciplined approach to cost and talent management, we are confident in the Group's ability to navigate industry challenges and capture growth opportunities in the years ahead.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Reporting Year amounted to approximately HK$143.0 million, representing a decrease of approximately HK$53.1 million or approximately 27.1% as compared with approximately HK$196.1 million for the year ended 31 March 2025.

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) sub-contracting cost. The cost of sales decreased by approximately 24.7% from approximately HK$157.0 million for the year ended 31 March 2025 to approximately HK$118.2 million for the Reporting Year.

The gross profit for the Reporting Year was approximately HK$24.7 million (2025: approximately HK$39.1 million). The decrease in gross profit was primarily attributable to (i) the decrease in revenue of approximately HK$53.1 million during the year; and (ii) additional provision for onerous contracts recognised for the Reporting Year.

Impairment loss on financial assets and contract assets

During the Reporting Year, the Group recognised approximately HK$30,000 impairment loss (2025: approximately HK$33,000). No credit-impaired and uncollectible receivables are identified during the Reporting Year and prior year.

Administrative Expenses

The Group's administrative expenses decreased by approximately 4.8% from approximately HK$41.3 million for the year ended 31 March 2025 to approximately HK$39.3 million for the Reporting Year. Such decrease was mainly due to a decrease of staff cost, and reduced depreciation charges on property, plant, and equipment.

Loss attributable to the owners of the Company

The Group recorded net loss attributable to the owners of the Company of approximately HK$11.4 million for the Reporting Year (2025: net profit of approximately HK$0.1 million). The loss was primarily due to the decrease on revenue and additional provision on onerous contract in the Reporting Year.

Borrowings and Gearing Ratio

As at 31 March 2026, the Group has HK$5.0 million outstanding borrowings (2025: nil). The gearing ratio, representing the proportion of total bank borrowings to total equity as at 31 March 2026 was 4.0% (2025: nil) which is primarily attributed to the Group's borrowings raised during the Reporting Year.

Liquidity, Financial Resources and Capital Structure

Historically, the Group has met the liquidity and capital requirements primarily through operating cash flows, bank borrowings and capital contribution from its Shareholders (the "**Shareholder(s)**").

The Group requires cash primarily for working capital needs. As at 31 March 2026, the Group had approximately HK$71.2 million in (i) bank balances and cash; (ii) pledged bank deposits; and (iii) time deposits with original maturity over three months (2025: approximately HK$60.4 million), representing an increase of approximately HK$10.8 million as compared to that as at 31 March 2025.

Other than the raise of bank borrowings, there has been no change on the capital structure of the Group for the Reporting Year and up to the date of this announcement (the "**Date of this Announcement**"). The share capital of the Company only comprises of ordinary shares.

As at 31 March 2026, the issued share capital of the Company was HK$4,049,600 divided into 404,960,000 shares ("**Shares**") of HK$0.01 each.

Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK$0.6 million for the Reporting Year which mainly comprised acquisition of computer equipment (2025: approximately HK$0.3 million).

Final Dividend

The Board does not recommend the payment of a final dividend for the Reporting Year (2025: nil).

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 6 August 2026 to Tuesday, 11 August 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the annual general meeting ("**AGM**"), during which period no transfers of Shares shall be effected. The record date for entitlement to attend the AGM is Tuesday, 11 August 2026. In order to qualify for attending and voting at the AGM to be held on Tuesday, 11 August 2026, all transfers of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged for registration with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 5 August 2026.

Employees and Remuneration Policies

As at 31 March 2026, the Group employed 164 employees (2025: 169 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. On top of basic salaries, bonus may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical and life insurance benefits. Share options and/or share awards may also be granted to eligible employees by reference to the Group's performance as well as the individual contribution.

FOREIGN EXCHANGE EXPOSURE

We conducted business with customers, suppliers and subcontractors located in Hong Kong, China and overseas. The Group's exposure to the currency risk mainly arises from the fluctuation of Renminbi, Pound Sterling, Euro or United States dollars. The Group currently does not have any hedging policy in place for its foreign currency exposure. The management will consider hedging significant currency exposure should the need arise.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not hold any significant investments in equity interest in any other companies or did not have any future plans for material investments or capital assets as at 31 March 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

There were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Year.

PLEDGES OF ASSETS

As at 31 March 2026, the Group pledged certain amount of bank deposits and investments in life insurance policies to secure general banking facilities granted to the Group.

CAPITAL COMMITMENT

The Group did not have any capital commitment as at 31 March 2026 (2025: nil).

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any significant contingent liabilities (2025: nil).

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 and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. During the Reporting Year, the Company has complied with all applicable code provisions in Part 2 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. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings for the Reporting Year.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

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 had reviewed the financial reporting process, risk management and internal control system of the Group and the Group's consolidated financial statements for the year ended 31 March 2026.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Year as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this announcement, at no time during the Reporting Year 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' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the Reporting Year and up to the Date of this Announcement, none of the Directors 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.

EVENTS AFTER THE END OF THE REPORTING YEAR

On 1 April 2026, the Group has entered into a tenancy agreement with K M L Limited for the office premises. Please refer to the announcement dated 1 April 2026 for details.

On 13 May 2026, the Group has terminated the share award scheme. Please refer to the announcement dated 13 May 2026 for details.

Save as disclosed above, up to the Date of this Announcement, there were no other subsequent events after the Reporting Year.

PUBLICATION OF THE ANNUAL RESULTS AND 2025/2026 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kml.com.hk), and the 2025/2026 annual report containing all the information required by the GEM Listing Rules will be dispatched (if applicable) to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
KML Technology Group Limited
Luk Kam Ming
Chairman and Executive Director

Hong Kong, 23 June 2026

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

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for a minimum period of 7 days from the date of publication and on the website of the Company at www.kml.com.hk.