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## **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)**

## **PROFIT WARNING**

This announcement is made by KML Technology Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the latest management accounts of the Group and the information currently available to the Board, the Group expects to record a loss before tax of approximately HK\$32.4 million for the year ended 31 March 2023 (the “**Current Year**”), as compared to a profit before tax of approximately HK\$9.7 million for the year ended 31 March 2022 (the “**Last Year**”).

The increase in loss in Current Year was mainly attributable to, among other things, the decrease in gross profit to approximately HK\$9.9 million for the Current Year (approximately HK\$44.5 million for the Last Year). The aforesaid was primarily attributable to (i) the impact of the fifth wave of coronavirus disease (COVID-19), especially in terms of operational efficiencies and project delivery progress, resulted in relatively higher staff costs and lower revenue; (ii) major work progress of significant projects were completed during the Last Year; (iii) major projects in hand in the Current Year are at their early stage that revenue recognised is not substantial; and (iv) a provision for contract works of approximately HK\$16.2 million was recognised for the contract obligation as at 31 March 2023 due to the extra costs estimated to be employed resulted from the technical difficulties identified in certain projects during the Current Year and the adverse impact of the COVID-19. Such issue remains under negotiation between the Group and the relevant customer. The aforesaid provision for contract works is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards that has no effect on the Group’s operating cash flow in Current Year.

The Company is still in the process of finalising the consolidated results of the Group for the Current Year (the “**Annual Results**”). The information contained in this announcement can only be treated as a preliminary assessment by the Board in accordance with the latest unaudited consolidated management accounts of the Group and the information currently available, which have not been finalised or reviewed by the audit committee of the Board or auditor of the Company and may be subject to changes and adjustments. Shareholders and potential investors of the Company are advised to refer to the Annual Results announcement of the Group which is expected to be published by middle of June 2023 in compliance with the requirements under the GEM Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 6 June 2023

*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, Dr. TSE Chi Kong and Mr. YU Wing Lok Garry.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 Announcements” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of 7 days from the date of publication and on the Company’s website at [www.kml.com.hk](http://www.kml.com.hk).*