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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)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2023**

### **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 three months ended 30 June 2023 (the “**Reporting Period**”) amounted to approximately Hong Kong dollars (“**HK\$**”) 49.8 million, representing an increase of approximately HK\$13.9 million or approximately 38.7% as compared with the revenue of approximately HK\$35.9 million for the three months ended 30 June 2022.

Gross profit of the Group for the Reporting Period amounted to approximately HK\$11.0 million (2022: approximately HK\$8.4 million).

The net profit of the Group for the Reporting Period amounted to approximately HK\$1.2 million (2022: approximately HK\$0.7 million).

The board of Directors (the “**Board**”) does not recommend a payment of an interim dividend for the Reporting Period (2022: Nil).

## FINANCIAL RESULTS

The Board is pleased to announce the unaudited condensed consolidated first quarterly results of the Group for the Reporting Period, together with the unaudited comparative figures for the same period in 2022 as follows:

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

*For the three months ended 30 June 2023*

	<i>Notes</i>	<b>Three months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>49,822</b>	35,942
Cost of sales		<b>(38,848)</b>	(27,523)
Gross profit		<b>10,974</b>	8,419
Other income		<b>799</b>	3,324
Other gains and loss, net		<b>(47)</b>	(782)
Impairment losses on financial assets and contract assets, net of reversal		<b>34</b>	–
Administrative expenses		<b>(10,279)</b>	(10,088)
Finance costs	5	<b>(119)</b>	(68)
Profit before tax		<b>1,362</b>	805
Income tax expense	6	<b>(151)</b>	(105)
Profit and total comprehensive income for the period attributable to owners of the Company		<b><u>1,211</u></b>	<u>700</u>
Earnings per share attributable to ordinary equity holders of the Company	8		
Basic		<b><u>HK0.30 cents</u></b>	<u>HK0.18 cents</u>
Diluted		<b><u>HK0.30 cents</u></b>	<u>HK0.18 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	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 reserve HK\$'000	Other reserves HK\$'000 (Note)	Accumulated profits HK\$'000	
<b>Three months ended 30 June 2023</b>							
At 31 March 2023 and 1 April 2023 (audited)	4,050	21,587	(387)	1,267	14,791	108,336	149,644
Profit and total comprehensive income for the period	-	-	-	-	-	1,211	1,211
Equity-settled share option arrangements	-	-	-	97	-	-	97
Equity-settled share award arrangements	-	-	-	131	-	-	131
At 30 June 2023 (unaudited)	<u>4,050</u>	<u>21,587</u>	<u>(387)</u>	<u>1,495</u>	<u>14,791</u>	<u>109,547</u>	<u>151,083</u>
<b>Three months ended 30 June 2022</b>							
At 31 March 2022 and 1 April 2022 (audited)	4,025	29,598	(709)	1,205	14,791	140,517	189,427
Profit and total comprehensive income for the period	-	-	-	-	-	700	700
Equity-settled share award arrangements	-	-	-	148	-	-	148
Purchases of shares for the share award scheme	-	-	(38)	-	-	-	(38)
At 30 June 2022 (unaudited)	<u>4,025</u>	<u>29,598</u>	<u>(747)</u>	<u>1,353</u>	<u>14,791</u>	<u>141,217</u>	<u>190,237</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 three months ended 30 June 2023

## 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 Reporting Period 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 2023.

The condensed consolidated financial information of the Group has been prepared in accordance with the same accounting policies adopted in the Group's annual financial statements for the year ended 31 March 2023, except for the adoption of the revised HKFRSs (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed in note 3 below.

## 3. CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following revised HKFRSs for the current period's financial statements:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statements 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

These amendments have had no material effect on how the Group's results and financial position for the current or prior periods that have been presented in this condensed consolidated financial information. The Group has not applied any other new standards or interpretation that is not yet effective for the current accounting period.

#### 4. REVENUE AND SEGMENTAL INFORMATION

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

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Transportation Mission Critical System Solutions	3,224	6,784
Mobile Ticketing and Digital Payment Solutions and Services	12,982	4,010
Digital Fabrication and Maintenance Services	6,036	5,476
M&E Technology Solutions and Engineering Services	27,369	17,293
Sales of Products, Parts and Components	211	2,379
	<u>49,822</u>	<u>35,942</u>

#### Segment information

The Group's operating income during both periods was derived from:

**(a) 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.

**(b) 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.

**(c) 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.

**(d) 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.

**(e) 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:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>119</u>	<u>68</u>

## 6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong:		
Charge for the period	55	100
Deferred	<u>96</u>	<u>5</u>
Total tax expense for the period	<u>151</u>	<u>105</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 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 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 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 Reporting Period (2022: Nil).

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

The calculation of the basic earnings per share amount for the Reporting Period is based on the profit for the period attributable to owners of the Company of HK\$1,211,000 (2022: HK\$700,000), and the weighted average number of ordinary shares in issue less treasury shares held under share award scheme during the period of 401,191,000 (2022: 399,554,000).

The calculation of the diluted earnings per share amounts for the Reporting Period is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue less treasury shares held under share award scheme as used in the basic earnings per share calculation, and the weighted average number of 532,000 (2022: 348,000) 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:

	Three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Purchase of materials from Logistic Industrial Supply Company Limited ("Logistic Industrial") (Note 1)	1	6
Rental payments K M L Limited (Note 2)	<u>1,434</u>	<u>1,434</u>

Notes:

- (1) 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.
- (2) 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 45 years. We are diversifying our businesses and redefining our businesses in five major segments 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 Reporting Period, the Group had outstanding contracts in hand value at approximately HK\$411.2 million (2022: approximately HK\$531.4 million).

#### **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 Reporting Period, revenue generated from this segment amounted to approximately HK\$3.2 million (2022: approximately HK\$6.8 million). The decrease of approximately 52.9% is mainly due to the number of projects released for tendering has decreased substantially over the past years. Following the reopening of the border between Hong Kong and mainland China, and the upcoming recovery of Hong Kong economy, the status is expected to improve in the coming years. As at 30 June 2023, the total value of outstanding contracts of this segment amounted to approximately HK\$18.7 million (2022: approximately HK\$37.1 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.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$13.0 million (2022: approximately HK\$4.0 million). The increase of approximately 225.0% is mainly due to kick off of installation phase for a major project concerning the replacement and upgrading of automatic fare collection (“AFC”) gate and ticket issuing machines for various railway lines. As at 30 June 2023, the total value of outstanding contracts of this segment amounted to approximately HK\$132.6 million (2022: approximately HK\$151.3 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 Group continued providing maintenance services of trackside signalling equipment and AFC equipment for customers in the railway line sector.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$6.0 million (2022: approximately HK\$5.5 million). As at 30 June 2023, the total value of outstanding contracts of this segment amounted to approximately HK\$34.1 million (2022: approximately HK\$39.1 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 Reporting Period, revenue generated from this segment amounted to approximately HK\$27.4 million (2022: approximately HK\$17.3 million). The increase of approximately 58.4% was mainly due to execution of installation phases for several major projects such as replacement of smoke curtains, replacement of station lighting with light-emitting diode (LED) technology, refurbishment and replacement of air handling units (AHU) at various railway lines.

As at 30 June 2023, the total value of outstanding contracts of this segment amounted to approximately HK\$225.8 million (2022: approximately HK\$301.3 million).

### **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 Reporting Period, revenue generated from this segment amounted to approximately HK\$0.2 million (2022: approximately HK\$2.4 million).

## **OUTLOOK**

The Group anticipates that the business environment in Hong Kong will continue to present challenges in the coming year, including a persistent talent shortage, a sharp rise in material and staff costs, and soaring inflationary pressure. These factors may jeopardise the return of our projects and have the potential to negatively impact the Group's financial performance.

To address these challenges, the Group will take appropriate actions to mitigate their impacts on our operations. We are exploring various strategies to optimise our cost structure, including identifying opportunities to streamline our processes and operations and exploring the feasibility of leveraging artificial intelligence technology to enhance our project execution capabilities as well as to improve our operational efficiency.

In the future, we will remain focusing on catching up on the progress of all the delayed projects, continue to keep a watchful and vigilant eye on business dynamics and prioritise strategic business opportunities, such as upcoming Hong Kong's railway network extension projects, that align with our core business objectives to deliver long-term value to our shareholders and stakeholders.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group for the Reporting Period amounted to approximately HK\$49.8 million, representing an increase of approximately HK\$13.9 million or approximately 38.7% as compared with approximately HK\$35.9 million for the three months ended 30 June 2022. Such increase was mainly due to execution of installation phase for several major projects in hand during the Reporting Period.

### **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 increased by approximately 41.1% from approximately HK\$27.5 million for the three months ended 30 June 2022 to approximately HK\$38.8 million for the Reporting Period. The increase in cost of sales was mainly due to the rise in material and project staff cost for the Reporting Period. Nevertheless, the gross profit of the Group increased by approximately 31.0% from approximately HK\$8.4 million for the three months ended 30 June 2022 to approximately HK\$11.0 million for the Reporting Period primarily attributable to the increase in revenue.

## **Administrative Expenses**

The Group's administrative expenses have increased from approximately HK\$10.1 million for the three months ended 30 June 2022 to approximately HK\$10.3 million for the Reporting Period.

## **PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The Group recorded net profit attributable to the owners of the Company of approximately HK\$1.2 million for the Reporting Period (2022: approximately HK\$0.7 million). The difference is mainly due to the increase of gross profit as discussed above.

## **DIVIDEND**

The Board does not recommend a payment of an interim dividend for the Reporting Period (2022: Nil).

## **SUBSEQUENT EVENTS**

As at the date of this announcement (i.e. 7 August 2023) (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 Reporting Period, 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 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 Reporting Period.

### **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 Reporting Period and this quarterly result announcement. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the Reporting Period comply with the applicable accounting standards and that adequate disclosures have been made.

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

During the Reporting Period, 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 30 June 2023, 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	38.77
Mr. Luk Kwai Lung (“Mr. KL Luk”) <sup>(2)</sup>	Interest in controlled corporation	138,000,000	L	34.08
Mr. Luk Yin Cheung (“Mr. YC Luk”) <sup>(2)(3)</sup>	Interest in controlled corporation; interest of spouse	139,000,000	L	34.32
Mr. Chan Chak Lun Philip (“Mr. CL Chan”) <sup>(4)</sup>	Beneficial owner	5,000,000	L	1.23

*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 1,000,000 Shares.
- (4) Mr. CL Chan directly holds 2,000,000 Shares and was interested as a grantee of options to subscribe for up to 3,000,000 Shares under the Share Option Scheme (announced on 2 January 2020 and 18 April 2023).
- (5) The Letter “L” denotes the entity/person’s long position in the Shares.
- (6) As at 30 June 2023, the total number of issued Shares were 404,960,000.

Save as disclosed above, as at 30 June 2023, 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 30 June 2023, 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	34.08
Madam Leung <sup>(2)</sup>	Beneficial owner; interest of spouse	157,000,000	L	38.77
Ms. Chan Patricia <sup>(3)</sup>	Interest of spouse	138,000,000	L	34.08
Madam Woo <sup>(4)</sup>	Beneficial owner; interest of spouse	139,000,000	L	34.32

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 700,000 Shares under the Share Option Scheme (announced on 2 January 2020 and 18 April 2023).*
- (5) *The Letter “L” denotes the entity/person’s long position in the Shares.*
- (6) *As at 30 June 2023, the total number of issued Shares were 404,960,000.*

Save as disclosed above, as at 30 June 2023, 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 Reporting Period 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 Reporting Period, 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 August 2023

*As at the Date of this Announcement, the executive Directors are Mr. LUK Kam Ming, 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 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 website of the Company at [www.kml.com.hk](http://www.kml.com.hk).*