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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 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 three months ended 30 June 2021 amounted to approximately Hong Kong dollars (“**HK\$**”) 47.3 million, representing a decrease of approximately HK\$15.8 million or approximately 25.0% as compared with the revenue of approximately HK\$63.1 million for the three months ended 30 June 2020.

Gross profit of the Group for the three months ended 30 June 2021 amounted to approximately HK\$16.7 million (2020: approximately HK\$14.1 million).

The net profit of the Group for the three months ended 30 June 2021 amounted to approximately HK\$5.8 million (2020: approximately HK\$5.3 million).

The board of directors (the “**Board**”) does not recommend a payment of an interim dividend for the three months ended 30 June 2021 (2020: Nil).

## **FINANCIAL RESULTS**

The Board of the Company is pleased to announce the unaudited condensed consolidated first quarterly results of the Group for the three months ended 30 June 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 three months ended 30 June 2021*

		<b>Three months ended 30 June</b>	
	<i>Notes</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>47,325</b>	63,095
Cost of sales		<u><b>(30,609)</b></u>	<u>(48,979)</u>
Gross profit		<b>16,716</b>	14,116
Other income		<b>129</b>	2,085
Other gains and loss, net		<b>40</b>	–
Impairment losses on financial assets and contract assets, net of reversal		<b>54</b>	323
Administrative expenses		<b>(10,068)</b>	(10,311)
Finance costs	5	<u><b>(27)</b></u>	<u>(92)</u>
Profit before tax		<b>6,844</b>	6,121
Income tax expense	6	<u><b>(1,026)</b></u>	<u>(864)</u>
Profit and total comprehensive income for the period attributable to owners of the Company		<u><b>5,818</b></u>	<u>5,257</u>
Earnings per share attributable to ordinary equity holders of the Company	8		
Basic		<u><b>HK1.47 cents</b></u>	<u>HK1.33 cents</u>
Diluted		<u><b>HK1.46 cents</b></u>	<u>HK1.33 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 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>Three months ended 30 June 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	-	-	-	-	-	5,818	5,818
Equity-settled share-option arrangements	-	-	-	118	-	-	118
At 30 June 2021 (unaudited)	<u>4,025</u>	<u>40,507</u>	<u>(825)</u>	<u>1,038</u>	<u>14,791</u>	<u>138,211</u>	<u>197,747</u>
<b>Three months ended 30 June 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	-	-	-	-	-	5,257	5,257
Equity-settled share-option arrangements	-	-	-	306	-	-	306
Purchases of shares and contribution in the share award scheme	-	-	(143)	-	-	-	(143)
At 30 June 2020 (unaudited)	<u>4,000</u>	<u>47,552</u>	<u>(1,001)</u>	<u>611</u>	<u>14,791</u>	<u>105,653</u>	<u>171,606</u>

*Note:* The Group's other reserves mainly represent (i) 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 and (ii) the deemed capital contribution from Mr. Luk Kam Ming ("Mr. KM Luk"), a controlling shareholder and an executive director of the Company, in respect of the transfer of 2,000,000 shares to the trust of the share award scheme at nil consideration during the year ended 31 March 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 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 three months ended 30 June 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.

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 2021, 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 Conceptual Framework for Financial Reporting 2018 (the "**Conceptual Framework**") and the following revised HKFRSs for the current period financial statements:

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</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	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Transportation Mission Critical System Solutions	9,701	9,659
Mobile Ticketing and Digital Payment Solutions and Services	9,272	13,427
Digital Fabrication and Maintenance Services	9,230	10,273
M&E Technology Solutions and Engineering Services	17,952	29,106
Sales of Products, Parts and Components	1,170	630
	<u>47,325</u>	<u>63,095</u>

#### Segment information

The Group's operating income during both periods was derived from (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 during both periods. 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	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>27</u>	<u>92</u>

#### 6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current – Hong Kong:		
Charge for the period	902	508
Deferred	<u>124</u>	<u>356</u>
Total tax expense for the period	<u>1,026</u>	<u>864</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 (2020: 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 three months ended 30 June 2021 (2020: Nil).

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

The calculation of the basic earnings per share amount for the three months ended 30 June 2021 is based on the profit for the period attributable to owners of the Company of HK\$5,818,000 (2020: HK\$5,257,000), and the weighted average number of ordinary shares in issue less treasury shares held under share award scheme during the three months ended 30 June 2021 of 396,544,000 (2020: 395,837,000). No adjustment has been made to the basic earnings per share amount presented for the three months ended 30 June 2020 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amount presented.

The calculation of the diluted earnings per share amounts for the three months ended 30 June 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 895,000 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:

	<b>Three months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Purchase of materials from Logistic Industrial Supply Company Limited ("Logistic Industrial") (Note a)	–	7
Rental payments K M L Limited (Note b)	<b>1,389</b>	<b>1,389</b>

Notes:

- (a) Logistic Industrial is a company over which 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 and constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

The Group has been providing electrical and mechanical 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 systems; (ii) mobile ticketing and digital payment solutions and services; (iii) digital fabrication and maintenance services; (iv) mechanical and electrical (“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 three months ended 30 June 2021, the Group has submitted 71 tenders and quotations to our customers (2020: 81 tenders and quotations) with 27 contracts being awarded (2020: 39 contracts). As at 30 June 2021, the Group had outstanding contracts in hand value at approximately HK\$363.6 million including approximately HK\$52.4 million were awarded during the three months ended 30 June 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 M&E engineering 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 three months ended 30 June 2021, revenue generated from this segment amounted to approximately HK\$9.7 million (2020: approximately HK\$9.7 million). The major projects in progress during the three months ended 30 June 2021 included:

- installation of optical fibre backbones for communications-based train control (CBTC) signalling systems in several railway lines
- provision of platform gap light-emitting diode (LED) flashing lights system for certain railway lines
- provision of pedestrian warning system at some hotspot locations
- signalling power supply network reliability improvement works in a railway line

As at 30 June 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$33.6 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 three months ended 30 June 2021 included:

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

For the three months ended 30 June 2021, revenue generated from this segment amounted to approximately HK\$9.3 million (2020: approximately HK\$13.4 million). As at 30 June 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$132.6 million. Meanwhile, the Group is expecting the award of more contracts in relation to AFC system in the second half of the year.

## **Digital Fabrication and Maintenance Services**

This segment mainly offers technical and maintenance support services for various M&E 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 and enhancement of AFC and security systems equipment at various railway lines
- maintenance of trackside signalling equipment for a high-speed railway line
- maintenance and enrichment of kiosks dedicated for the Public Transport Fare Subsidy Scheme
- maintenance and support services of wi-fi network at railway stations

For the three months ended 30 June 2021, revenue generated from this segment amounted to approximately HK\$9.2 million (2020: approximately HK\$10.3 million). As at 30 June 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$20.3 million. The Group is in the process of making considerable investment on strengthening our digital fabrication facility which will be comprehensive enough to support our maintenance services on replacement or replenishment of parts and components and to manage better their obsolescence. By making use of the digital fabrication facility, we can readily apply reverse engineering techniques to produce hard-to-find parts and components and minimise the need to order them from overseas suppliers whose promise on price and delivery are not always reasonable or reliable. In addition, the facility will unleash our business value creation on meeting exacting customer demand in respect of interactive design approach, rapid prototyping and low volume production by short notice – all under one roof.

### **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 three months ended 30 June 2021, revenue generated from this segment amounted to approximately HK\$18.0 million (2020: approximately HK\$29.1 million). The major projects in progress during the reporting period included:

- replacement and modification of smoke curtains at two railway lines
- replacement of trackside advertising panels along a railway line and a railway station
- standardisation of shop signs in a railway line
- provision of electrical work of stage 1 for existing automatic people mover (APM) system modification works at the Hong Kong International Airport
- renovation works at several ferry piers

As at 30 June 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$174.9 million, including two new major projects awarded to the Group during the reporting period i.e. (i) refurbishment and replacement of air handling units (AHU) and primary air units (PAU) in several railway lines; and (ii) revamp of trackside advertising panels along a railway line. These two projects amounted to approximately HK\$50.0 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 three months ended 30 June 2021, revenue generated from this segment amounted to approximately HK\$1.2 million (2020: approximately HK\$0.6 million). As at 30 June 2021, the total value of outstanding contracts of this segment amounted to approximately HK\$2.3 million.

## OUTLOOK

During the three months ended 30 June 2021, the Group has submitted 71 tenders and quotations to our customers (2020: 81 tenders and quotations) with 27 contracts being awarded (2020: 39 contracts). Among the 71 tenders and quotations submitted for the three months ended 30 June 2021, 17 tenders and quotations were in relation to the “EV-charging at Home Subsidy Scheme” (“**EHSS**”). EHSS is a government pilot scheme to encourage and subsidise the installation of electric vehicle (EV) charging-enabling infrastructure in private car parks in order to support the wider use of electric private cars in Hong Kong. The Group by utilising our experience and expertise is pursuing business opportunities in this area. The Group has been invited to attend several tender interviews and are expecting to hear the results of these tenders.

Besides, as disclosed in our annual report 2020/21, a new subsidiary targeting to the ePayment business will be set up. In June 2021, e2B Limited (“**e2B**”) has been successfully incorporated. By making use of the knowledge and experience we gained when carrying out the project at the Taoyuan MRT on the integration of mobile payment application with QR Code and various contactless payment method, the Group has lined up with various business partners including banks and digital payment providers to take up broader roles in the ePayment business arena. The establishment of e2B signifies a step further for the Group to open up with more diversified business opportunities. The Group expects that some agency agreements between e2B and various banks and Stored Value Facility (SVF) licensees will be signed up in the near future.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the three months ended 30 June 2021 amounted to approximately HK\$47.3 million, representing a decrease of approximately HK\$15.8 million or approximately 25.0% as compared with approximately HK\$63.1 million for the three months ended 30 June 2020.

### 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 37.6% from approximately HK\$49.0 million for the three months ended 30 June 2020 to approximately HK\$30.6 million for the three months ended 30 June 2021. The gross profit of the Group increased by approximately 18.4% from approximately HK\$14.1 million for the three months ended 30 June 2020 to approximately HK\$16.7 million for the three months ended 30 June 2021. The increase in gross profit is mainly due to the adjustment of costs of certain major projects under warranty period during the period.

## **Administrative Expenses**

The Group's administrative expenses decreased by approximately 1.9% from approximately HK\$10.3 million for the three months ended 30 June 2020 to approximately HK\$10.1 million for the three months ended 30 June 2021.

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

The Group recorded net profit attributable to the owners of the Company of approximately HK\$5.8 million for the three months ended 30 June 2021 (2020: net profit approximately HK\$5.3 million).

## **Dividend**

The Board does not recommend a payment of an interim dividend for the three months ended 30 June 2021 (2020: Nil).

## **SUBSEQUENT EVENT AFTER REPORTING PERIOD**

On 5 July 2021, 2,375,000 shares (“**Shares**”) were awarded to certain eligible employees of KML Engineering Limited pursuant to the share award scheme of the Company. The 2,375,000 awarded Shares (“**Awarded Shares**”) granted represent approximately 0.6% of the total number of Shares in issue as at the date of this announcement (i.e. 5 August 2021 (the “**Date of this Announcement**”). Based on the closing price of HK\$0.39 per Share on the date of grant of the Awarded Shares, the market value of the 2,375,000 Awarded Shares is approximately HK\$926,250. 790,000, 1,170,000 and 415,000 Awarded Shares will be vested to the eligible employees in year 2022, 2023 and 2024 respectively.

Save as disclosed above, up to the Date of this Announcement, there were no subsequent events after this reporting period.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **CORPORATE GOVERNANCE PRACTICE**

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 three months ended 30 June 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 three months ended 30 June 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 three months ended 30 June 2021 and this results announcement. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the three months ended 30 June 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 GEM Rule 17.50A(1) of the GEM Listing Rules.

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

During the three months ended 30 June 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 30 June 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 a controlled corporation	138,000,000	L	34.29
Mr. Luk Yin Cheung ("Mr. YC Luk") <sup>(2)(3)</sup>	Interest in a 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. 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 30 June 2021, the total number of issued Shares were 402,500,000.

Save as disclosed above, as at 30 June 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 30 June 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 30 June 2021, the total number of issued Shares were 402,500,000.

Save as disclosed above, as at 30 June 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 three months ended 30 June 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.

## **DIRECTOR’S, CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS**

For the three months ended 30 June 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, 5 August 2021

*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 Company Announcements” 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).*