

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

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 six months ended 30 September 2025 (the “**Reporting Period**”) amounted to approximately Hong Kong dollars (“**HK\$**”) 71.9 million, representing a decrease of approximately HK\$8.2 million or approximately 10.2% as compared with the revenue of approximately HK\$80.1 million for the six months ended 30 September 2024.

Gross profit of the Group for the Reporting Period amounted to approximately HK\$12.9 million (2024: approximately HK\$13.2 million).

The net loss of the Group for the Reporting Period amounted to approximately HK\$4.5 million (2024: net loss of approximately HK\$5.5 million).

The board of directors (the “**Board**”) does not recommend a payment of an interim dividend for the Reporting Period (2024: nil).

FINANCIAL RESULTS

The Board is pleased to announce the condensed consolidated interim results of the Group for the Reporting Period, together with the unaudited comparative figures for the same period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September 2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Unaudited)
	Notes		
REVENUE	4	71,859	80,093
Cost of sales		<u>(58,922)</u>	<u>(66,928)</u>
Gross profit		12,937	13,165
Other income	5	1,390	1,307
Other gains and losses, net	5	299	676
Impairment loss			
on financial assets and contract assets, net		(40)	(20)
Administrative expenses		(18,890)	(20,354)
Finance costs	6	<u>(151)</u>	<u>(241)</u>
LOSS BEFORE TAX		(4,455)	(5,467)
Income tax expense	7	<u>—</u>	<u>—</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(4,455)</u>	<u>(5,467)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic		HK(1.11) cents	HK(1.36) cents
Diluted		<u>HK(1.11) cents</u>	<u>HK(1.36) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,295	2,402
Right-of-use assets		3,123	6,085
Deposits		1,590	1,713
Financial assets at fair value through profit or loss	11	6,742	6,599
Total non-current assets		13,750	16,799
CURRENT ASSETS			
Inventories		415	415
Trade receivables	12	33,655	40,414
Other receivables, deposits and prepayments		4,135	3,727
Contract assets		66,540	72,894
Financial assets at fair value through profit or loss		774	675
Pledged bank deposits		25,126	24,912
Time deposits with original maturity over three months		306	304
Bank balances and cash		38,366	35,168
Total current assets		169,317	178,509

		As at	
		30 September	31 March
		2025	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and retention payables	<i>13</i>	15,622	17,533
Other payables and accruals		13,845	10,871
Lease liabilities		3,218	6,027
Contract liabilities		15,589	19,568
Provision for contract works	<i>14</i>	2,765	4,669
Tax payable		52	52
		<hr/>	<hr/>
Total current liabilities		51,091	58,720
		<hr/>	<hr/>
NET CURRENT ASSETS		118,226	119,789
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		131,976	136,588
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Lease liabilities		–	163
Deferred tax liabilities		14	14
		<hr/>	<hr/>
Total non-current liabilities		14	177
		<hr/>	<hr/>
Net assets		131,962	136,411
		<hr/>	<hr/>
EQUITY			
Share capital		4,050	4,050
Reserves		127,912	132,361
		<hr/>	<hr/>
Total equity		131,962	136,411
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company						
	Shares held		Share-based				
	Share capital	Share premium	under the share award scheme	payment reserve	Other reserves	Accumulated profits	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
					(Note)		
Six months ended 30 September 2025							
At 31 March 2025 and 1 April 2025 (audited)	4,050	21,587	(468)	1,031	14,791	95,420	136,411
Loss and total comprehensive loss for the period	-	-	-	-	-	(4,455)	(4,455)
Equity-settled share award arrangements	-	-	-	6	-	-	6
Vesting of shares under share award scheme	-	-	58	(58)	-	-	-
At 30 September 2025 (unaudited)	<u>4,050</u>	<u>21,587</u>	<u>(410)</u>	<u>979</u>	<u>14,791</u>	<u>90,965</u>	<u>131,962</u>
Six months ended 30 September 2024							
At 31 March 2024 and 1 April 2024 (audited)	4,050	21,587	(369)	1,602	14,791	94,639	136,300
Loss and total comprehensive loss for the period	-	-	-	-	-	(5,467)	(5,467)
Purchases of shares and contribution in the share award scheme	-	-	(112)	-	-	-	(112)
Equity-settled share award arrangements	-	-	-	18	-	-	18
Vesting of shares under share award scheme	-	-	299	(299)	-	-	-
Forfeiture of share award	-	-	-	(81)	-	-	(81)
At 30 September 2024 (unaudited)	<u>4,050</u>	<u>21,587</u>	<u>(182)</u>	<u>1,240</u>	<u>14,791</u>	<u>89,172</u>	<u>130,658</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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>6,300</u>	<u>(1,918)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank interest received	738	1,447
Purchase of property, plant and equipment	(381)	(54)
Proceed from disposals of property, plant and equipment	–	320
Addition of financial assets at fair value through profit or loss	(119)	(106)
Placement of time deposits with original maturity date over three months	(306)	–
Withdrawn of time deposits with original maturity date over three months	304	2,208
Placement of pledged deposits	<u>(214)</u>	<u>(446)</u>
Net cash flows from investing activities	<u>22</u>	<u>3,369</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	–	(15,000)
Purchase of shares for the share award scheme	–	(112)
Principal portion of lease payments	(3,124)	(3,116)
Interest paid	<u>–</u>	<u>(197)</u>
Net cash flows used in financing activities	<u>(3,124)</u>	<u>(18,425)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,198	(16,974)
Cash and cash equivalents at beginning of the period	<u>35,168</u>	<u>45,569</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>38,366</u>	<u>28,595</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

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 interim financial statements for the Group have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The condensed consolidated interim 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 2025.

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

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has 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.

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 2025, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRS(s)**") (which include all HKFRSs, HKAS(s) and Interpretations) as below:

Amendments to HKAS 21

Lack of Exchangeability

These new and amendments to HKFRSs 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:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Transportation Mission Critical System Solutions	5,747	8,236
Mobile Ticketing and Digital Payment Solutions and Services	16,334	16,212
Digital Fabrication and Maintenance Services	15,600	12,095
M&E Technology Solutions and Engineering Services	33,321	42,083
Sales of Products, Parts and Components	857	1,467
	<u>71,859</u>	<u>80,093</u>

Segment information

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

(a) Transportation Mission Critical System Solutions:

Provision of complete and convenient one-stop solution for customers, reducing their operations and management costs while mitigating 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, 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. OTHER INCOME AND GAINS AND LOSSES, NET

Other income

	Six months ended 30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	738	1,147
Sundry income	652	160
	<u>1,390</u>	<u>1,307</u>

Other gains and losses, net

	Six months ended 30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	–	298
Fair value gains on financial assets at fair value through profit or loss	99	236
Foreign exchange differences, net	200	142
	<u>299</u>	<u>676</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings	–	197
Interest on lease liabilities	151	44
	<u>151</u>	<u>241</u>

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong:		
Charge for the period	–	–
Deferred	–	–
	<hr/>	<hr/>
Total tax expense for the period	<hr/>	<hr/>

The Group has no assessable profit arising in Hong Kong and no provision for the income tax has been made for the six months ended 30 September 2025. The Hong Kong profits tax rate is 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.

8. DIVIDEND

The Board does not recommend the payment of any dividend for the Reporting Period (2024: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount for the Reporting Period is based on the loss for the period attributable to owners of the Company of approximately HK\$4,455,000 (2024: loss of approximately HK\$5,467,000), and the weighted average number of ordinary shares in issue less treasury shares held under share award scheme during the period of 403,072,000 (2024: 401,895,000).

In respect of the periods ended 30 September 2025 and 30 September 2024, no adjustment has been made to the basic loss per share amount presented in respect of a dilution as the impact of the awarded shares and share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

For the Reporting Period, the Group acquired property, plant and equipment with aggregate cost of approximately HK\$381,000 (2024: approximately HK\$54,000).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

As at 30 September 2025, the unlisted investments of approximately HK\$6,742,000 (unaudited) (31 March 2025: HK\$6,599,000 (audited)) were the deposits paid for life insurance products issued by financial institutions in Hong Kong. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The entire balance of the life insurance products is denominated in United States dollars.

Other than the above mentioned life insurance products, the remaining balances as at 30 September 2025 were being Hong Kong listed equity investments of approximately HK\$774,000 (unaudited) (31 March 2025: HK\$675,000 (audited)) traded in Hong Kong.

12. TRADE RECEIVABLES

The Group grants credit terms of 30 to 90 days to its customers. The following is an ageing analysis of the trade receivables is presented based on the invoice date.

	As at	
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Within 30 days	15,684	25,864
31 to 60 days	11,356	10,931
61 to 90 days	5,314	3,511
Over 90 days	1,389	168
	33,743	40,474
Less: Accumulated loss allowance	(88)	(60)
Total	33,655	40,414

13. TRADE AND RETENTION PAYABLES

The credit period is generally ranging from 30 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date.

	As at	
	30 September	31 March
	2025	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade payables:		
Within 30 days	5,196	8,055
31 to 60 days	4,282	3,329
61 to 90 days	484	183
91 to 365 days	86	255
Over 365 days	242	156
	<u>10,290</u>	<u>11,978</u>
Retention payables	<u>5,332</u>	<u>5,555</u>
Total	<u>15,622</u>	<u>17,533</u>

14. PROVISION FOR CONTRACT WORKS

	As at	
	30 September	31 March
	2025	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
At beginning of period	4,669	9,237
Amount utilised during the period	<u>(1,904)</u>	<u>(4,568)</u>
At end of period	<u>2,765</u>	<u>4,669</u>

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.

15. RELATED PARTY TRANSACTIONS

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

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Rental payments		
K M L Limited (<i>Note</i>)	<u>2,868</u>	<u>2,868</u>

Note: K M L Limited is controlled by Mr. Luk Kam Ming. 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.

As at 30 September 2025, the Group had outstanding contracts in hand value at approximately HK\$278.6 million (2024: approximately HK\$351.2 million).

During the Reporting Period, the Group recorded approximately HK\$71.9 million (2024: approximately HK\$80.1 million) revenue and approximately HK\$12.9 million (2024: approximately HK\$13.2 million) gross profit respectively.

Transportation Mission Critical System Solutions

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

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$5.7 million (2024: approximately HK\$8.2 million). As at 30 September 2025, the total value of outstanding contracts of this segment amounted to approximately HK\$31.6 million (2024: approximately HK\$36.3 million).

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.

The major projects in progress during the Reporting Period included replacement and upgrading of Automatic Fare Collection (“**AFC**”) gates and ticket issuing machines at various railway lines.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$16.3 million (2024: approximately HK\$16.2 million). As at 30 September 2025, the total value of outstanding contracts of this segment amounted to approximately HK\$83.6 million (2024: approximately HK\$96.8 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.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$15.6 million (2024: approximately HK\$12.1 million). As at 30 September 2025, the total value of outstanding contracts of this segment amounted to approximately HK\$72.1 million (2024: approximately HK\$67.9 million).

M&E Technology Solutions and Engineering Services

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, trackside and depot M&E works and different kinds of renovation works.

The major projects in progress during the Reporting Period included (i) replacement and modification of smoke curtains at two railway lines; (ii) replacement of station lighting with light-emitting diode (LED) technology; and (iii) revamping advertising panels at a railway line.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$33.3 million (2024: approximately HK\$42.1 million). As at 30 September 2025, the total value of outstanding contracts of this segment amounted to approximately HK\$88.0 million (2024: approximately HK\$149.7 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 signaling and AFC related products, parts and components.

For the Reporting Period, revenue generated from this segment amounted to approximately HK\$0.9 million (2024: approximately HK\$1.5 million). As at 30 September 2025, the total value of outstanding contracts of this segment amounted to approximately HK\$3.3 million (2024: approximately HK\$0.5 million).

OUTLOOK

Our interim results reflect steady progress on our recovery journey. We are encouraged by the improvement in our gross profit margin, largely driven by projects awarded in the past two years. However, our overall margin continues to be weighed down by older projects secured several years ago, which have yielded very thin or even negative margins. We anticipate a more visible rebound in overall gross margin as these legacy projects reach completion, bringing us back to a healthy and sustainable level. This recovery will provide a solid foundation for future improvements as new projects with better margins take effect.

Looking ahead, we expect further margin enhancement through cost optimisation and operational efficiency. We have reengineered workflows and strengthened collaboration with manufacturing partners in the Greater Bay Area, enabling us to reduce costs while maintaining high-quality standards. In addition, we are exploring partnerships with companies specialising in payment gateway solutions and artificial intelligence (“AI”) technologies to integrate these capabilities into our services to customers. We plan to expand these partnerships under a “Win-Win-Win” approach—delivering cost efficiency for us, growth opportunities for vendors, and superior service for our customers. Furthermore, we have invested in AI tools and computer equipment, which are now integrated into our operational and administrative processes to enhance overall work efficiency.

Despite the current softness in the electrical, mechanical, and construction market, we successfully secured multiple contracts during this interim period and remain confident of winning more in the second half of FY2025/26. Furthermore, the construction of new railways in the coming few years will provide us ample opportunities to leverage our expertise in the M&E engineering industry—particularly in AFC systems, installation of signalling systems, platform screen doors, and air ventilation systems. With our focus on reliability, timeliness, and quality, we are well-positioned to capture opportunities as the market gradually recovers. We believe our commitment to fairness and excellence will continue to drive sustainable growth.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Reporting Period amounted to approximately HK\$71.9 million, representing a decrease of approximately HK\$8.2 million or approximately 10.2% as compared with approximately HK\$80.1 million for the six months ended 30 September 2024. The decline in revenue primarily reflects the substantial completion of a major project in previous 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 decreased by approximately 12.0% from approximately HK\$66.9 million for the six months ended 30 September 2024 to approximately HK\$58.9 million for the Reporting Period. The decrease in cost of sales was mainly due to the decrease of revenue discussed above. The gross profit of the Group decreased from approximately HK\$13.2 million for the six months ended 30 September 2024 to approximately HK\$12.9 million for the Reporting Period. The gross profit remained relatively stable, with only a slight decrease of approximately HK\$0.3 million or approximately 2.3%.

Administrative Expenses

The Group's administrative expenses decreased from approximately HK\$20.4 million for the six months ended 30 September 2024 to approximately HK\$18.9 million for the Reporting Period.

Loss attributable to the owners of the Company

The Group recorded net loss attributable to the owners of the Company of approximately HK\$4.5 million for the Reporting Period (2024: net loss of approximately HK\$5.5 million). The difference is mainly due to decrease in administrative expenses during the Reporting Period.

Dividend

The Board does not recommend a payment of an interim dividend for the Reporting Period (2024: nil).

Liquidity, Financial Resources and Capital Structure

The Group has met the liquidity and capital requirement primarily through operating cash flows, bank borrowing and equity. The Group requires cash primarily for working capital needs.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. 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.

As at 30 September 2025, the Group has net current assets of approximately HK\$118.2 million (31 March 2025: approximately HK\$119.8 million).

Bank balances and cash

As at 30 September 2025, the Group had approximately HK\$63.8 million in bank balances and cash (including pledged bank deposits) (as at 31 March 2025: approximately HK\$60.4 million).

Borrowings and Gearing Ratio

As at 30 September 2025, the Group does not have outstanding borrowing (31 March 2025: nil).

The gearing ratio, representing the proportion of total bank borrowings to total equity as at 30 September 2025 was not applicable (31 March 2025: nil).

Capital Structure

There has been no change on the capital structure of the Group for the Reporting Period and up to the date of this announcement (i.e. 14 November 2025) (the “**Date of this Announcement**”). The share capital of the Company only comprises of ordinary shares (“**Share(s)**”).

Pledge of Assets

As at 30 September 2025, the Group has pledged (i) approximately HK\$25.1 million bank deposits (31 March 2025: approximately HK\$24.9 million); and (ii) approximately HK\$6.7 million investments in life insurance policies to secure general banking facilities granted to the Group (31 March 2025: approximately HK\$6.6 million).

Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK\$0.4 million for the Reporting Period which comprised acquisition of furniture, fixtures, office equipment and computer equipment (2024: approximately HK\$0.1 million).

Capital Commitments

The Group did not have any capital commitment as at 30 September 2025 (31 March 2025: nil).

Contingent Liabilities

As at 30 September 2025, the Group did not have any significant contingent liabilities (31 March 2025: nil).

Financial Risk Management

Financial risk management is carried out by the Group's finance department under policies approved by the Board. The finance department identifies, evaluates and hedges financial risks in close co-operation with operating units. The Board provides guidance for overall risk management and specific areas, such as market risk, interest rate risk, credit risk and liquidity risk.

Foreign Exchange Exposure

We conduct business with customers, suppliers and subcontractors located in Hong Kong, China and overseas. The Group's exposure to currency risk mainly arise 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 exchange exposure. However, the Board will remain alert to any relevant risk and, if necessary, consider hedging any potential material foreign exchange risk.

Employees and Remuneration Policies

As at 30 September 2025, the Group had a total of 161 employees (2024: 183). The total staff cost of the Group for the Reporting Period was approximately HK\$34.1 million (2024: approximately HK\$35.0 million). 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. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances. Other benefits include provident fund scheme, medical and life insurance, discretionary bonus, share options and share awards.

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 30 September 2025.

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 Period.

SUBSEQUENT EVENT AFTER REPORTING PERIOD

There were no subsequent events after this Reporting Period as at the Date of this Announcement.

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 C1 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/she has complied with the required standard of dealings during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM 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 has reviewed with the management the accounting policies and practices adopted by the Group and discussed with the management internal control and financial reporting matters of the Company, including the review of the unaudited condensed consolidated results of the Group for the Reporting Period and the interim report. 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 disclosure has 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 Rules 17.50(2) and 17.50A(1) of the GEM Listing Rules during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF 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.

SHARE SCHEMES

The Company has adopted two share schemes, namely, (1) the Share Option Scheme and (2) the Share Award Scheme (as defined below).

The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares), i.e. 403,072,000 Shares, for the Reporting Period was 1.5%.

(1) SHARE OPTION SCHEME

In order to recognise and acknowledge the contributions that the directors and employees of the Group have made or may make to the Group, the Company approved and adopted the share option scheme pursuant to the written resolutions of the Shareholders passed on 20 September 2017 (the “**Share Option Scheme**”).

Further details of the principal terms of the Share Option Scheme are set out in the Annual Report 2024/2025.

Details regarding the number of share options, date of grant, exercise period and exercise price of the share options granted on 18 April 2023 are set out below:

Name of participants	Date of share options granted	Number of share options granted	Vesting period	Exercise period	Exercise price of share options <i>HK\$ per share</i>	Closing price immediately before date of grant <i>HK\$ per share</i>
Mr. Chan Chak Lun Philip (“ Mr. CL Chan ”) <i>(Note)</i> (Former Director and former chief executive officer)	18 April 2023	500,000	18 April 2023 to 17 April 2024	18 April 2024 to 17 April 2028	0.171	0.166
	18 April 2023	500,000	18 April 2023 to 14 October 2024	15 October 2024 to 17 April 2028	0.171	0.166
Madam Woo (Joint Company Secretary)	18 April 2023	200,000	18 April 2023 to 17 April 2024	18 April 2024 to 17 April 2028	0.171	0.166
	18 April 2023	200,000	18 April 2023 to 14 October 2024	15 October 2024 to 17 April 2028	0.171	0.166

Name of participants	Date of share options granted	Number of share options granted	Vesting period	Exercise period	Exercise price of share options HK\$ per share	Closing price immediately before date of grant HK\$ per share
Employees	18 April 2023	3,800,000	18 April 2023 to 17 April 2024	18 April 2024 to 17 April 2028	0.171	0.166
	18 April 2023	3,800,000	18 April 2023 to 14 October 2024	15 October 2024 to 17 April 2028	0.171	0.166
Total:		<u>9,000,000</u>				

Note:

Mr. CL Chan retired as the Director and ceased to be the chief executive officer of the Company starting from 7 August 2023. He remains as a director of KML Engineering Limited (“**KML Engineering**”). The share options held by Mr. CL Chan were forfeited as of 31 March 2025.

The following table sets forth movements in the share options of the Company during the Reporting Period:

Name of participants	Outstanding as at 1 April 2025	Number of share options granted	Number of share options exercised	Number of share options cancelled	Number of share options lapsed/ forfeited	Outstanding as at 30 September 2025
Madam Woo (Joint Company Secretary)	400,000	–	–	–	–	400,000
Employees	<u>5,500,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,500,000</u>
Total	<u>5,900,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,900,000</u>

As at the Date of this Announcement, taking into account 28,000,000 share options had been granted, the maximum number of Shares in respect of which options may be granted is 12,000,000, representing approximately 3.0% of the total number of Shares in issue as at the Date of this Announcement.

The number of share options available for grant under the Share Option Scheme as at 1 April 2025 and 30 September 2025 was 12,000,000 options and 12,000,000 options respectively.

(2) SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 5 November 2018 (the “**Adoption Date**”). Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date. Please refer to the announcement dated 5 November 2018 for details.

During the Reporting Period, no awarded Shares (2024: nil) were granted to employees of KML Engineering while a total of 385,000 (2024: 1,310,000) awarded Shares were vested to employee.

Referring to the amended GEM Listing Rules relating to share schemes became effective on 1 January 2023, the Company’s Share Award Scheme which existed as at 1 January 2023 and utilised general mandate may only grant shares under general mandate until the second annual general meeting after 1 January 2023, which was held on 7 August 2024. Since then, the Company is no longer permitted to issue new shares under this Share Award Scheme unless it is updated or replaced with a new scheme to comply with these new regulations.

As at 30 September 2025, the Company can only grant share awards to grantees using shares that have been or will be repurchased from the market or by way of gift. The number of share awards available for grant in this manner under the Share Award Scheme as at 1 April 2025 and 30 September 2025 was 32,665,000 Shares and 32,665,000 Shares respectively.

Details regarding the date of grant, the vesting period, the closing prices of Shares, the fair value of awarded Shares, the movements of awarded Shares granted, vested, cancelled, lapsed or forfeited during the Reporting Period, and the number of awarded Shares unvested as at 30 September 2025 are as follows:

Category of Participants	Date of grant	Closing Price of the Shares immediately before the date of grant	Fair value of awarded Shares on the date of grant	Number of awarded Shares unvested as at 1 April 2025	Number of awarded Shares granted	Number of awarded Shares vested	Number of awarded Shares Cancelled/ Lapsed/ Forfeited	Number of awarded Shares unvested as at 30 September 2025	Vesting Period	Weighted average closing price of Shares immediately before the vesting date
Employees	26 August 2022	0.19	0.20	385,000	–	385,000	–	–	2-3 years ⁽¹⁾	0.19
Total				385,000	–	385,000	–	–		

Notes:

- (1) 2,460,000 Shares were granted on 26 August 2022. For 1,410,000 awarded Shares granted, the relevant vesting period is 2 years as from the date of grant. For 1,000,000 awarded Shares granted, the relevant vesting period is 3 years as from the date of grant. 50,000 awarded Shares have not been allotted.
- (2) Pursuant to the Share Award Scheme, share awards were granted to the grantees at nil consideration and were or will be transferred to the grantees upon vesting at nil consideration.

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' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

For the Reporting Period, 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 businesses of the Group.

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

Hong Kong, 14 November 2025

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 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.