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KML Technology Group Limited

高萌科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8065)

CANCELLATION AND GRANT OF OPTIONS UNDER SHARE OPTION SCHEME

This announcement is made pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the announcement of KML Technology Group Limited (the "**Company**") dated 3 September 2018 in relation to the grant of 9,200,000 options to the Grantees (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As at the date of this announcement, no Grantee has exercised these options since they were granted. Taking into account the exercise price of these options is comparatively high as compared with the recent market prices of the Shares, which deters the grantees from exercising these options to subscribe for the Shares, as approved by the board (the "**Board**") of directors (the "**Director(s)**") of the Company and consented from each of the relevant grantees, an aggregate of the aforementioned 9,200,000 options were cancelled with effect from 2 January 2020 in accordance with the terms of the share option scheme.

The Board announces that on 2 January 2020 (the "**Date of Grant**"), the Company granted 9,800,000 share options ("**Options**") to certain eligible participants (the "**Grantee(s)**"), subject to acceptance by the Grantees, to subscribe for Shares with nominal value of HK\$0.01 each of the Company ("**Share(s)**") under the Company's share option scheme adopted on 20 September 2017. A summary of the Options is set forth below:-

Date of grant : 2 January 2020

Number of Options granted : 9,800,000

Exercise price of the Options granted : HK\$0.259 per Share, which is not less than the highest of:

- (i) the closing price of HK\$0.25 per Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; and

- (ii) an amount equivalent to the average closing price of HK\$0.259 per Share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the Date of Grant.

Closing price of the Shares on : HK\$0.25 per Share
date of grant

Validity period of the Options : 5 years

Among the total of 9,800,000 Options granted, 2,000,000 Options were granted to 1 Director, 700,000 Options were granted to 1 Director of a subsidiary of the Company and 300,000 Options were granted to an associate to a Director.

Details of the Options granted to the above Grantees are as follows:

Name of Grantee	Position	Number of Options granted
Chan Chak Lun Philip	Director and Chief executive officer	2,000,000
Wai Hang Ying Helen	Director of KML Engineering Limited	700,000
Woo Siu Wai	Company secretary	300,000

The grant of the Options by the Company to the above Grantees has been reviewed and approved by the independent non-executive Directors in accordance with Rule 23.04(1) of the GEM Listing Rules.

Save as disclosed above, none of other Grantees is a Director, chief executive or substantial shareholder (as defined under the GEM Listing Rules) of the Company or any of their respective associate(s) (as defined under the GEM Listing Rules) as at the date of this announcement.

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

Hong Kong, 2 January 2020

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 for a minimum period of 7 days from the date of publication and on the website of the Company at www.kml.com.hk.