
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **KML Technology Group Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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 circular, 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 circular.

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)

**PROPOSALS FOR GRANT OF GENERAL MANDATE
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “**Annual General Meeting**”) of the Company to be held at B5, 1/F Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong on Friday, 5 August 2022 at 10:00 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Annual General Meeting (or any adjournment thereof) if they so wish.

This circular 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.

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	4
Proposed Grant of the Issue Mandate to Issue Shares.....	4
Proposed Grant of the Repurchase Mandate	5
Proposed Re-election of Directors	5
Responsibility Statement	6
Closure of Register of Members.....	6
Notice of Annual General Meeting.....	6
Form of Proxy	7
Voting by Poll	7
Recommendation	8
APPENDIX I – DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	9
APPENDIX II – EXPLANATORY STATEMENT	12
NOTICE OF ANNUAL GENERAL MEETING	16

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the followings meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at B5, 1/F Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong on Friday, 5 August 2022 at 10:00 a.m., or any adjournment thereof and the notice of which is set out on pages 16 to 21 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented and otherwise modified from time to time
“Audit Committee”	The audit committee of the Board
“Board”	the board of Directors
“Company”	KML Technology Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, with its shares listed on GEM (stock code: 8065)
“Controlling Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding the aggregate of 20% of the number of issued Shares as at the date of passing of the relevant resolution as set out in resolution 6 of the Notice

DEFINITIONS

“KML Engineering”	KML Engineering Limited, a company incorporated in Hong Kong on 12 August 1977 and an indirect wholly-owned subsidiary of the Company
“KML Holdings”	KML Holdings Limited, a company incorporated in the Bahamas on 22 February 1991, whose issued share capital carrying voting rights is held by Mr. KL Luk and Mr. YC Luk in equal shares
“KML Technology”	KML Technology Limited, a company incorporated in Hong Kong on 21 October 1988 and an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	20 June 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Madam Leung”	Ms. Leung Kwok Yee, the Controlling Shareholder and the spouse of Mr. KM Luk
“Mr. KL Luk”	Mr. Luk Kwai Lung, the Controlling Shareholder and an executive Director
“Mr. KM Luk”	Mr. Luk Kam Ming, the Controlling Shareholder and an executive Director
“Mr. YC Luk”	Mr. Luk Yin Cheung, the Controlling Shareholder and an executive Director
“Nomination Committee”	the nomination committee of the Board
“Notice”	the notice convening the Annual General Meeting
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the total number of the issued Shares as at the date of passing of the relevant resolution as set out in resolution 6 of the Notice
“Risk Management Committee”	the risk management committee of the Board
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented and otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by Securities and Futures Commission as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Luk Kam Ming (*Chairman*)
Mr. Chan Chak Lun Philip (*Chief executive officer*)
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Lau On Kwok
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

*Headquarters and principal place of
business in Hong Kong:*

B12, G/F
Shatin Industrial Centre
Siu Lek Yuen Road
Shatin, New Territories
Hong Kong

27 June 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GRANT OF GENERAL MANDATE
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) grant of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; and (b) the re-election of Directors.

PROPOSED GRANT OF THE ISSUE MANDATE TO ISSUE SHARES

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the GEM Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 6 will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding the aggregate of 20% of the number of issued Shares as at the date of passing of the resolution granting the Issue Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 402,500,000 Shares were in issue. Subject to the passing of the ordinary resolution numbered 6(A) and on the basis that no further Shares are issued after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 80,500,000 Shares.

In addition, subject to a separate approval of the ordinary resolution numbered 6(C) in the Notice, the number of Shares repurchased by the Company under ordinary resolution numbered 6(B) in the Notice will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 6(A) in the Notice provided that such additional number of Shares shall represent up to 10% of the total number of issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate.

PROPOSED GRANT OF THE REPURCHASE MANDATE

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the total number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Luk Kam Ming, Mr. Luk Kwai Lung and Mr. Lau On Kwok shall retire from office and shall be subject to re-election at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of the above retiring Directors are set out in Appendix I to this circular in accordance with the relevant requirements of the GEM Listing Rules.

The Nomination Committee has duly considered the composition of the members of the Board with reference to the Policy on Directors Nomination and the Board Diversity Policy of the Company, and decided to propose the re-election of Mr. Lau On Kwok (“**Mr. Lau**”) as an independent non-executive Director. The Board believes that the re-election of Mr. Lau as an independent non-executive Director would be in the best interests of the Company and the Shareholders as a whole by taking into account that Mr. Lau has an outstanding accounting background and knowledge in finance.

LETTER FROM THE BOARD

Mr. Lau has served the Board as independent non-executive Director since 20 September 2017 and has made a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Board is satisfied that, taking into account, inter alia, the valuable independent judgement, advice and objective views contributed by Mr. Lau, Mr. Lau is of such character, integrity and experience commensurate with his office of independent non-executive Director. The Board is not aware of any circumstance that might influence the independence of Mr. Lau.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 2 August 2022 to Friday, 5 August 2022 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 1 August 2022.

To ascertain Shareholders' entitlement to the proposed final dividend upon passing the relevant resolution, the register of members of the Company will be closed from Friday, 12 August 2022 to Tuesday, 16 August 2022 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 11 August 2022.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 16 to 21 of this circular is the Notice at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the granting of the Issue Mandate to issue Shares, Repurchase Mandate to repurchase Shares and the re-election of Directors.

LETTER FROM THE BOARD

Taking into account the COVID-19 pandemic, the Company recommends Shareholders to **vote by filling in and submitting the proxy form**, i.e. indicate your voting intention and designate the chairman of the Annual General Meeting as your proxy to vote on your behalf, instead of attending the Annual General Meeting in person.

The Company will also implement the following precautionary measures at the Annual General Meeting against the pandemic to protect the attendees from the risk of infection, including, without limitation:

- (i) compulsory body temperature check will be conducted for every attendee at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue;
- (ii) complete a health declaration, which may be used for contact tracing, if required;
- (iii) every attendee is required to wear surgical facial mask throughout the meeting;
and
- (iv) no refreshment will be served.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Save as disclosed herein, there is no Shareholder who has any material interest in the proposed resolutions regarding the Issue Mandate.

Pursuant to Rule 17.47(4) of the GEM Listing Rules and article 66(1) of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of a general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the Notice will be taken by way of poll.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Directors consider that the proposed resolutions for the grant of the Issue Mandate to issue Shares, Repurchase Mandate to repurchase Shares and the re-election of Directors are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By order of the Board
KML Technology Group Limited
LUK Kam Ming
Chairman and Executive Director

The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the Annual General Meeting.

As at the Latest Practicable Date, none of the following Directors, save as disclosed herein, had any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and other major appointments and professional qualification. Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, Substantial Shareholders or Controlling Shareholders (as defined in the GEM Listing Rules).

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Executive Directors

Mr. Luk Kam Ming (陸鑑明), aged 75, is an Executive Director and the chairman of the Board. Mr. KM Luk founded the Group and joined us when he was appointed as a director of KML Engineering in August 1977. Mr. KM Luk is responsible for overall strategic planning and development of the Group, and oversees the financial management and planning of the Group. He is also the chairman of the Nomination Committee, and a member of the Remuneration Committee.

Mr. KM Luk has more than 50 years of experience in the mechanical and electrical engineering industry, with a focus on the development of automatic fare collection and railway transportation control systems. In August 1977, Mr. KM Luk founded KML Engineering, the principal subsidiary of the Group as a contractor for providing services in the fields of electrical power engineering, signalling and communication engineering, and computer-based toll collection systems, etc.

Mr. KM Luk was registered as a Registered Professional Engineer (RPE) by the Engineers Registration Board. He was also registered as a Chartered Engineer (CEng) by The Institution of Electronic and Radio Engineers, the United Kingdom, a Chartered Engineer by the Council of Engineering Institutions, the United Kingdom. He is admitted a member and registered as a Chartered Electrical Engineer by The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology), the United Kingdom, and a Chartered Engineer by the Council of Engineering institutions, the United Kingdom. He is also admitted as a member of the Hong Kong Institution of Engineers, a member of Institution of Railway Signal Engineers, and a member of Hong Kong Association of Energy Engineers. He was nominated as the Country Vice President of Institution of Railway Signal Engineers for Hong Kong, China in March 2011.

Mr. KM Luk is the father of Mr. KL Luk and Mr. YC Luk, both our Executive Directors. Mr. KM Luk is also the spouse of Madam Leung, our controlling Shareholder, and the father-in-law of Ms. Woo Siu Wai (“**Madam Woo**”), the company secretary of the Company (“**Company Secretary**”).

Mr. KM Luk has entered into a service agreement with the Company for a term of 3 years and continue thereafter until terminated in accordance with the terms of the service agreement. He is entitled to receive emoluments of HK\$1,068,000 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, salaries paid by comparable companies and performance of the Group for his appointment as an executive Director.

As at the Latest Practicable Date, Mr. KM Luk had an interest in 157,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Luk Kwai Lung (陸季農), aged 45, is an Executive Director. Mr. KL Luk is responsible for overseeing the business development and marketing of the Group. Mr. KL Luk has been a director of KML Technology and KML Engineering since February 2012 and November 2015 respectively. Mr. KL Luk is one of the authorised signatories appointed by KML Engineering for its qualification as a Registered Minor Works for Type A of Class II & III under the Buildings Ordinance. Mr. KL Luk is also a member of the Risk Management Committee.

Mr. KL Luk joined the Group in January 2003 and appointed as deputy managing director of KML Engineering in December 2015. He developed comprehensive experiences in process management in various departments in KML Engineering, and acted as the project manager for various projects undertaken by the Group in the past years.

Mr. KL Luk obtained a degree of Bachelor of Science in hotel administration from University of Nevada, Las Vegas, the United States, a degree of Master of Science in administrative studies from Boston University, the United States, and a degree of Master of Science in engineering business management from the Hong Kong Polytechnic University, Hong Kong. He is a member of The Hong Kong Institute of Directors.

Mr. KL Luk is a son of Mr. KM Luk, the founder of the Group, Executive Director and chairman of the Board, and the elder brother of Mr. YC Luk, an Executive Director. Mr. KL Luk is the elder son of Madam Leung, our controlling Shareholder, and the brother-in-law of Madam Woo, the Company Secretary.

Mr. KL Luk has entered into a service agreement with the Company for a term of 3 years and continue thereafter until terminated in accordance with the terms of the service agreement. He is entitled to receive emoluments of HK\$741,600 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, salaries paid by comparable companies and performance of the Group for his appointment as an executive Director.

As at the Latest Practicable Date, Mr. KL Luk had an interest in 138,000,000 Shares within the meaning of Part XV of the SFO.

Independent Non-Executive Director

Mr. Lau On Kwok (劉安國), aged 55, was appointed as an independent non-executive Director on 20 September 2017. Mr. Lau is the chairman of the Audit Committee and a member of each of the Risk Management Committee and the Remuneration Committee.

Mr. Lau has extensive experience in the fields of financial management, corporate governance and direct investment. He started his career as accounting professional in an international accountancy firm. Mr. Lau was an executive director at China Assets Investment Management Limited and was also the company secretary and a member of investment committee of China Assets (Holdings) Limited, a company previously listed on the Stock Exchange (stock code: 170) from April 2004 to December 2010. He was a director of Shandong Lukang Pharmaceutical Company Limited, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600789), from May 2007 to April 2012. From May 2009 to January 2011, Mr. Lau was an independent non-executive director of Sheng Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 0851). He was employed by Sheng Yuan Asset Management Limited from January 2011 to August 2014, where his last position was executive director. He also assumed the duties of the managing director of Sheng Yuan Investment Advisors Limited from January 2011 to December 2013. Mr. Lau was the company secretary and financial controller at Winshine Science Company Limited, a company listed on the Stock Exchange (stock code: 209), from November 2014 to November 2018. Mr. Lau has been a director of China Assets (Holdings) Limited and a director of China Assets Investment Management Limited since October 2018.

Mr. Lau obtained a degree of Bachelor of Arts in accounting and financial analysis from the Newcastle University (formerly known as “University of Newcastle upon Tyne”) and a degree of Master of Science in financial management from University of London. He also obtained a Diploma on Practices in Chinese Laws and Regulations affecting Foreign Business jointly awarded by Southwest University of Political Science and Law and the Hong Kong Management Association.

Mr. Lau is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants, the United Kingdom.

Mr. Lau has entered into a letter of appointment with the Company for a term of 3 years which may be terminated in accordance with the terms of the letter of appointment. He is entitled to receive emoluments of HK\$180,000 per annum.

As at the Latest Practicable Date, Mr. Lau did not have any interest in the Shares within the meaning of Part XV of the SFO.

This Appendix serves as an explanatory statement, as required by the Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to approve the Repurchase Mandate.

GEM LISTING RULES

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their shares on the Stock Exchange subject to certain restrictions.

SHAREHOLDERS' APPROVAL

All proposed repurchases of shares by a company with a primary listing on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 402,500,000 Shares of nominal value of HK\$0.01 each which have been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 40,250,000 Shares which represent 10% of the total issued Shares during the period ending on the earlier of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchase

with profits of the Company or out of a new issuance of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Companies Law, out of capital.

The Directors believe that if the Repurchase Mandate is exercised in full, it may have a material adverse impact on the working capital or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

Month	Highest prices HK\$	Lowest prices HK\$
2021		
June	0.415	0.365
July	0.400	0.370
August	0.400	0.310
September	0.400	0.345
October	0.380	0.335
November	0.380	0.315
December	0.350	0.310
2022		
January	0.345	0.295
February	0.355	0.305
March	0.315	0.200
April	0.270	0.227
May	0.228	0.180
June (up to the Latest Practicable Date)	0.250	0.212

UNDERTAKING

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the GEM Listing Rules), have any present intention if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands. No core connected person (as defined in the GEM Listing Rules) has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the controlling shareholders of the Company, namely KML Holdings, Mr. KM Luk, Madam Leung, Mr. KL Luk and Mr. YC Luk (collectively, the "**Controlling Shareholders**") were acting in concert and collectively in control of voting rights for a total of 295,300,000 Shares, representing 73.37% of the total issued share capital in the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the aggregate shareholding of the Controlling Shareholders in the Company will be increased to approximately 81.52% of the total number of issued Shares.

In the opinion of the Directors, such increase would not give rise to any obligation to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for the concert parties to make a mandatory offer. Accordingly, the Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any repurchase of its Shares by the Company.

The GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the company would be in public hands. The Directors do not propose to repurchase Shares which would result in the aggregate number of the Shares held by the public falling below the prescribed minimum percentage required by the Stock Exchange.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of KML Technology Group Limited (the “**Company**”) will be held at B5, 1/F Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong on Friday, 5 August 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 March 2022 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 31 March 2022.
3. To re-elect the following directors of the Company (the “**Director(s)**”):
 - (A) Mr. Luk Kam Ming, as an executive Director;
 - (B) Mr. Luk Kwai Lung, as an executive Director; and
 - (C) Mr. Lau On Kwok, as an independent non-executive Director.
4. To authorise the board of Directors to fix the remuneration of the Directors.
5. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of Directors to fix their remuneration for the year ending 31 March 2023.
6. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:
 - (A) “**That:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional Shares or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

- (iii) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to:
 - (1) any Rights Issue (as defined hereinafter); or

 - (2) the exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for shares of the Company (the “Share(s)”) or rights to acquire shares; or

 - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company; or

 - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any convertible notes or warrants issued by the Company or any securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of 20% of the number of issued Shares as at the date of passing this resolution; and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly; and

- (iv) for the purpose of this resolution:
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:–
 - (1) the conclusion of the next annual general meeting of the Company;

 - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

(b) **“Rights Issue”** means an offer of Shares or an issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“That:**

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the shares of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the **“GEM Listing Rules”**), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the shares to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

NOTICE OF ANNUAL GENERAL MEETING

- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
 - (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
- (C) “**That:** conditional upon the resolutions numbered 6(A) and 6(B) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 6(A) set out in this notice be and is hereby extended by the addition to the number of the issued shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 6(B) set out in this notice, provided that such extended amount shall represent up to 10% of the total number of issued shares of the Company as at the date of passing of the said resolutions.”

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

Hong Kong, 27 June 2022

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Headquarters and Principal place of business in Hong Kong:

B12, G/F
Shatin Industrial Centre
Siu Lek Yuen Road
Shatin, New Territories
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (ii) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto to. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (iii) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
- (iv) The register of members of the Company will be closed for the following periods: for the purpose of determining shareholders who are eligible to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 2 August 2022 to Friday, 5 August 2022, both days inclusive, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 1 August 2022.

To ascertain shareholders' entitlement to the proposed final dividend upon passing resolution numbered 2 above, the register of members of the Company will be closed from Friday, 12 August 2022 to Tuesday, 16 August 2022, both days inclusive, during which period no share transfers will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 11 August 2022.

- (v) With reference to the proposed ordinary resolution numbered 3 above, Mr. Luk Kam Ming, Mr. Luk Kwai Lung and Mr. Lau On Kwok shall be subject to re-election at the above meeting. Details of the above Directors to be re-elected are set out in Appendix I to the circular dated 27 June 2022.
- (vi) In respect of the proposed resolutions numbered 6(A), 6(B) and 6(C) above, the Directors wish to state that they have no immediate plans to repurchase any shares pursuant to the relevant mandate.
- (vii) Resolution numbered 6(C) will be proposed to the shareholders of the Company for approval provided that resolutions numbered 6(A) and 6(B) are passed by the shareholders of the Company.
- (viii) In respect of the proposed resolution numbered 6(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate and for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the GEM Listing Rules, is set out in Appendix II to the circular dated 27 June 2022.
- (ix) Delivery of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the Annual General Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF ANNUAL GENERAL MEETING

Taking into account the COVID-19 pandemic, the Company recommends Shareholders to **vote by filling in and submitting the proxy form**, i.e. indicate your voting intention and designate the chairman of the Annual General Meeting as your proxy to vote on your behalf, instead of attending the Annual General Meeting in person.

The Company will also implement the following precautionary measures at the Annual General Meeting against the pandemic to protect the attendees from the risk of infection, including, without limitation:

- (i) compulsory body temperature check will be conducted for every attendee at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue;
- (ii) complete a health declaration, which may be used for contact tracing, if required;
- (iii) every attendee is required to wear surgical facial mask throughout the meeting;
and
- (iv) no refreshment will be served.