

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.



Khoon Group Limited
坤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 924)

PROFIT WARNING

This announcement is made by Khoon Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, after excluding non-recurring listing expenses for the relevant years, the Group expects to record a net profit after tax for the year ended 30 June 2020 of approximately S\$3.9 million, which represents an approximately 37.1% reduction as compared with that for the year ended 30 June 2019 of approximately S\$6.3 million. Based on the information currently available, such expected decrease in the profit was mainly attributable to:–

- (i) The decrease in the Group’s revenue as a result of the unprecedented outbreak of the Coronavirus Disease 2019 (“**COVID-19**”) in early 2020 which subsequently developed to a global pandemic and has severely disrupted global economic activities. In order to control the spread of COVID-19, many countries have implemented strict public health measures, including lockdowns and border closures to limit the movement of people. The Singapore Government had also imposed Circuit Breaker Measures in which non-essential businesses were suspended from 7 April 2020 to 1 June 2020 (the “**Circuit Breaker Period**”). Construction works are identified as non-essential according to such measures, and therefore during the Circuit Breaker Period, all of the Group’s construction sites were halted and save for certain emergency repairs and maintenance or defect rectification works, the Group was not able to continue with the majority of its electrical engineering projects, which has significantly affected the progress of the Group’s electrical engineering works.

As at the date of this announcement, not more than 20% of the Group’s on-going projects have been allowed to restart and the rest of the projects are expected to restart in August 2020;

- (ii) The increase in the administrative expenses of the Group as a result of the compliance fees incurred after the Group's listing during financial year ended 30 June 2020; and
- (iii) The increase in the allowance of impairment loss on trade receivables during the financial year ended 30 June 2020.

The Group is still in the process of finalising its results for the financial year ended 30 June 2020. The information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, which have not been audited or reviewed by the auditors of the Company or the audit committee of the Board. The actual results of the Group for the financial year ended 30 June 2020 to be published may be different from the information disclosed in this announcement.

Shareholders and potential investors of the Company are advised to refer to further details of the Group's financial results for the financial year ended 30 June 2020 which are expected to be announced by end of August 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Khoon Group Limited
Ang Jui Khoon
Chairman and Executive Director

Hong Kong, 22 July 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ang Jui Khoon, Mr. Ang Kok Kwang (Hong Guoguang) and Mr. Ang Yong Kwang (Hong Yongquan); and three independent non-executive Directors, namely Ms. Tan Pei Fung, Mr. Yeo Kwang Maccann and Mr. Hon Chin Kheong (Han Zhenqiang).