

*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 of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group expects to record a net profit after tax for the year ended 30 June 2021 of approximately S\$30,000, which represents an approximately 99.1% reduction as compared with that for the year ended 30 June 2020 of approximately S\$3.7 million. Based on the information currently available, such expected decrease in the profit was mainly attributable to: –

- (i) The unprecedented global outbreak of the Coronavirus Disease 2019 (“**COVID-19**”) which has continuously hit the Singapore construction sector by a double whammy of labour shortage and cost escalations and leads to the drop of the Group’s gross profit margin for the year ended 30 June 2021. Majority of the construction projects in Singapore face delays in completion by approximately 6 to 12 months or even longer. Delayed projects lead to higher costs as the Group still needs to pay for the project staff costs and equipment rental which have significantly affected both the margins and progress of the Group’s electrical engineering works.
- (ii) With the outbreak of COVID-19 in India in March 2021, Singapore Government issued travel ban on those with recent travel history to India and its neighbouring countries including Bangladesh, Nepal and Sri Lanka, which further worsen the labour crunch in the Singapore construction sector since those countries are where most of the migrant workers come from. The restricted supply of workers has led to delay in project schedules and higher labour costs.
- (iii) Due to the disruption in global supply chain under the COVID-19 pandemic, construction material costs including concrete, copper, steel and metals, etc have escalated as well, causing a significant increase in material costs during the year ended 30 June 2021.

The Group is still in the process of finalising its results for the financial year ended 30 June 2021. 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 2021 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 2021 which are expected to be announced by end of September 2021.

**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, 5 August 2021

*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. Leung Wing Chi Kylie, Mr. Yeo Kwang Maccann and Mr. Hon Chin Kheong (Han Zhenqiang).*