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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, the Group expects to record a net loss after tax for the year ended 30 June 2022 of approximately S\$0.5 million, which represents an approximately 150% increase as compared with that for the year ended 30 June 2021 of approximately net loss after tax of S\$0.2 million. Based on the information currently available, such expected increase in the loss was mainly attributable to:–

- (i) The unprecedented outbreak of the Coronavirus Disease 2019 (“**COVID-19**”) in early 2020 which has hit the Singapore construction sector by a double whammy of labour shortage and cost escalations over the years. Majority of the construction projects in Singapore has been facing extended delays in completion. Delayed projects lead to higher costs as the Group still needs to pay for the project staff costs and equipment rental during the period, which have significantly affected both the margins and progress of the Group’s electrical engineering works.
- (ii) The Russo-Ukrainian War added further pressure and disruption to the global supply chain, which in turn boosted inflation significantly and caused a substantial increase in material and transportation costs during the year ended 30 June 2022.

The Group is still in the process of finalising its results for the financial year ended 30 June 2022. 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 nor 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 2022 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 2022 which are expected to be announced by the end of September 2022.

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, 24 August 2022

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).