

3 February 2023

The Board of Directors
Khoon Group Limited
Block 5000
Ang Mo Kio Avenue 5
#04-01 Techplace II
Singapore 569870

Dear Sirs,

Khoon Group Limited (“the Company”) and its subsidiaries (collectively referred to as “the Group”)
Profit Estimate for the five months ended 30 November 2022

We refer to the statement as set out in the announcement of the Company dated 4 January 2023 in respect of the positive profit alert made by the directors of the Company (the “Profit Estimate”) and as below:

“Based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 30 November 2022, it is expected to record a net profit attributable to owners of the Company for the six months ended 31 December 2022 of not more than approximately S\$0.7 million as compared to a net loss of approximately S\$0.1 million for the corresponding period in 2021.”

Directors’ Responsibilities

We have been advised by the directors of the Company that the Profit Estimate is based on the preliminary assessment by the directors of the Company of an estimate of the consolidated net profit attributable to the owners of the Company for the five months ended 30 November 2022 which has been prepared based on the unaudited consolidated management accounts of the Group for the five months ended 30 November 2022.

The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Control

We have complied with the ethical requirements of the Code of Ethics for Professional Accountants (“the Code”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the independence requirements in Part 4A, Chapter A of the Code.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

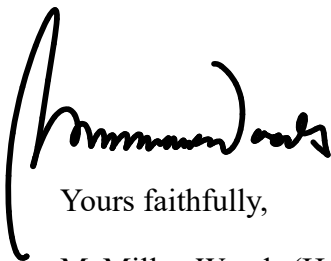
We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases and assumptions adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases and assumptions adopted by the directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 30 June 2022.

Intended Users and Purpose

This report is intended solely for compliance with Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Takeovers Code and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.



Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong