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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)

POSITIVE PROFIT ALERT

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, 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.

Based on the information currently available, the Board is of the view that the net profit attributable to owners of the Company for the six months ended 31 December 2022 was mainly attributable to the recovery of construction industry in Singapore given the improvement in COVID-19 situation in Singapore. Since July 2022, the entry requirement for Construction, Marine Shipyard and Process sectors work permit holders have been further eased and there have been an influx of migrant workers into Singapore. Consequently, the influx of migrant workers into Singapore have moderated the labour costs and speed up the progress of the Group’s on-going projects and led to an increase in revenue and net profit recognised over the six months ended 31 December 2022.

As the Company is still in the progress of finalising the interim results of the Group for the six months ended 31 December 2022, the information contained in this announcement is only based on the preliminary assessment on the information currently available to the management of the Company instead of any figures or information that have been audited or reviewed by the auditors of the Company or the audit committee of the Company. The interim results of the Group for the six months ended 31 December 2022 are expected to be published on or before 28 February 2023 in compliance with the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by the Company and Southern Heritage Limited (the “**Offeror**”) on 19 December 2022 in relation to, among other things, the possible mandatory unconditional cash offer to be made by Mighty Divine Securities Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Joint Announcement.

The estimated net profit attributable to owners of the Company for the six months ended 31 December 2022 set forth above in this positive profit alert announcement constitutes a profit forecast for the purposes of Rule 10 of the Takeovers Code and should be reported on by the Company’s financial adviser and its auditors or consultant accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable. Given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The profit forecast in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and Shareholders and potential investors should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Offer. The profit forecast in this announcement will be reported on in accordance with Rule 10.4 of the Takeovers Code as soon as reasonably practicable by the Company’s financial adviser and its auditors or consultant accountants and the relevant reports are proposed to be contained in the Composite Document, being the next document to be sent to the Shareholders by the Company. As stated in the Joint Announcement, an application will be made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code for the Executive’s consent to extend the deadline for the despatch of the Composite Document. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

WARNING

Shareholders and potential investors of the Company should note that the profit forecast in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and should consult their professional adviser if in any doubt about their position.

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

Hong Kong, 4 January 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ang Jui Khoo, 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).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.