



KOON HOLDINGS LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO. 200303284M)
(ARBN 105 734 709)

Registered Office Address: 11 Sixth Lok Yang Road, Singapore 628109 (Singapore)
Level 12 225 George Street Sydney NSW 2000, Australia (Australia)

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Board of Directors (the "**Board**") of Koon Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's unaudited full-year financial statements announcement for the financial year ended 31 December 2019 ("**FY2019**"), released on 28 February 2020 via ASX (the "**Unaudited Financial Statements**").

The Board wishes to highlight certain material adjustments and reclassifications to the Unaudited Financial Statements following the finalisation of the audit and issuance of the auditor's report dated 31 March 2020 by the Company's external auditor, Ernst & Young LLP (the "**Independent Auditors' Report**", and the related audited financial statements is referred to herein as the "**Audited Financial Statements**"). The details and explanations of the material adjustments and reclassifications are set out in Appendix I and II as annexed hereto.

With regard to the Audited Financial Statements and this announcement, shareholders of the Company (the "**Shareholders**") are advised to read both in conjunction with the Independent Auditors' Report, as released by the Company in the announcement dated 31 March 2020.

The Board confirms that to the best of their knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

This announcement was authorised for release by the Company's Acting Managing Director.

By Order of the Board
Koon Holdings Limited

Oh Koon Sun
Acting Managing Director

14 April 2020

Appendix I - Reconciliation between the Unaudited and Audited Balance Sheet of the Group
As at 31 December 2019

		Adjustments					
	Unaudited Financial Statements S\$'000	Note 1 S\$'000	Note 2 S\$'000	Note 3 S\$'000	Note 4 S\$'000	Note 5 S\$'000	Audited Financial Statements S\$'000
ASSETS							
Current assets							
Cash and bank balances	795	-	-	-	-	-	795
Trade receivables	11,089	(74)	-	-	(71)	-	10,944
Other receivables	27,888	-	3	-	(97)	-	27,794
Contract assets	13,171	187	-	-	-	-	13,358
Investment securities (quoted)	20	-	-	-	-	-	20
Assets held for sale	18,351	(184)	-	-	-	-	18,167
Assets of disposal group classified as held for sale	24,060	-	-	-	-	-	24,060
Total current assets	95,374	(71)	3	-	(168)	-	95,138
Non-current assets							
Property, plant and equipment	12,100	3,229	-	-	-	(260)	15,069
Right-of-use assets	3,045	(3,045)	-	-	-	-	-
Total non-current assets	15,145	184	-	-	-	(260)	15,069
Total assets	110,519	113	3	-	(168)	(260)	110,207
LIABILITIES AND EQUITY							
Current liabilities							
Trade payables	58,342	188	731	-	-	-	59,261
Other payables	15,087	(3,724)	232	-	-	-	11,595
Provisions	21,291	3,649	46	-	-	-	24,986
Loans and borrowings	27,641	(19)	-	-	-	-	27,622
Lease liabilities	1,502	6,234	-	-	-	-	7,736
Finance lease obligations	6,215	(6,215)	-	-	-	-	-
Income tax payable	-	-	-	86	-	-	86
Liabilities directly associated with disposal group classified as held-for-sale	9,543	-	-	-	-	-	9,543
Total current liabilities	139,621	113	1,009	86	-	-	140,829
Non-current liabilities							
Finance lease obligations	2,015	(2,015)	-	-	-	-	-
Lease liabilities	1,599	2,015	-	-	-	-	3,614
Deferred tax liabilities	1,389	-	-	(1,389)	-	-	-
Total non-current liabilities	5,003	-	-	(1,389)	-	-	3,614
Total liabilities	144,624	113	1,009	(1,303)	-	-	144,443
Capital and reserves							
Share capital	25,446	-	-	-	-	-	25,446
Capital reserve	8,381	(1)	-	-	-	-	8,380
Accumulated losses	(71,273)	-	(1,006)	1,303	(168)	(260)	(71,404)
Translation reserve	325	-	-	-	-	-	325
Reserves of disposal group held for sale	(636)	1	-	-	-	-	(635)
Equity attributable to owners of the Company	(37,757)	-	(1,006)	1,303	(168)	(260)	(37,888)
Non-controlling interests of disposal group held for sale	3,652	-	-	-	-	-	3,652
Total equity	(34,105)	-	(1,006)	1,303	(168)	(260)	(34,236)
Total liabilities and equity	110,519	113	3	-	(168)	(260)	110,207

Notes:

Note 1: Being reclassification of balances to better reflect the underlying nature and substance of the transactions

Note 2: Being additional accrual of costs and expenses and additional provisions made for onerous contracts

Note 3: Being additional provision for income tax payable and reversal of overprovision of deferred tax liabilities

Note 4: Being additional impairment of trade and other receivables

Note 5: Being additional impairment of property, plant and equipment

Appendix II - Reconciliation between the Unaudited and Audited Consolidated Statement of Comprehensive Income of the Group
For the financial year ended 31 December 2019

	Unaudited Financial Statements S\$'000	Adjustments					Audited Financial Statements S\$'000
		Note 1 S\$'000	Note 2 S\$'000	Note 3 S\$'000	Note 4 S\$'000	Note 5 S\$'000	
Continuing operations							
Revenue	95,741	(6,471)	-	-	-	-	89,270
Cost of sales	(148,610)	(668)	(1,028)	-	-	-	(150,306)
Gross loss	(52,869)	(7,139)	(1,028)	-	-	-	(61,036)
Other income	27,985	149	-	-	-	-	28,134
Distribution costs	(63)	-	-	-	-	-	(63)
Administrative and other expenses	(12,396)	(234)	22	-	-	-	(12,608)
Finance costs	(2,175)	-	-	-	-	-	(2,175)
Impairment losses on financial assets	(44,584)	7,020	-	-	(168)	-	(37,732)
Impairment losses on non-financial assets	(12,154)	203	-	-	-	(260)	(12,211)
Loss before tax from continuing operations	(96,256)	(1)	(1,006)	-	(168)	(260)	(97,691)
Taxation	81	1	-	1,303	-	-	1,385
Loss from continuing operations, net of tax	(96,175)	-	(1,006)	1,303	(168)	(260)	(96,306)
Discontinued operations							
Profit from discontinued operation, net of tax	1,215	-	-	-	-	-	1,215
Loss for the year	(94,960)	-	(1,006)	1,303	(168)	(260)	(95,091)
Other comprehensive loss:							
<i>Items that may be reclassified subsequent to profit or loss</i>							
Exchange loss on translation of foreign operations	(272)	-	-	-	-	-	(272)
Other comprehensive loss, net of tax	(272)	-	-	-	-	-	(272)
Total comprehensive loss for the year	(95,232)	-	(1,006)	1,303	(168)	(260)	(95,363)
Loss for the year attributable to:							
Owners of the Company							
Continuing operations	(96,175)	-	(1,006)	1,303	(168)	(260)	(96,306)
Discontinued operation	898	-	-	-	-	-	898
	(95,277)	-	(1,006)	1,303	(168)	(260)	(95,408)
Non-controlling interests							
Discontinued operation	317	-	-	-	-	-	317
	(94,960)	-	(1,006)	1,303	(168)	(260)	(95,091)
Total comprehensive loss attributable to:							
Owners of the Company							
Continuing operations	(96,153)	-	(1,006)	1,303	(168)	(260)	(96,284)
Discontinued operation	681	-	-	-	-	-	681
	(95,472)	-	(1,006)	1,303	(168)	(260)	(95,603)
Non-controlling interests							
Discontinued operation	240	-	-	-	-	-	240
	(95,232)	-	(1,006)	1,303	(168)	(260)	(95,363)

Notes:

Note 1: Being reclassification of balances to better reflect the underlying nature and substance of the transactions

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