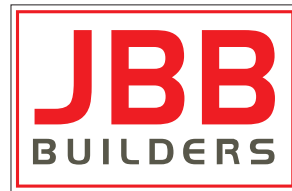

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JBB Builders International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



JBB Builders International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1903)

**MAJOR TRANSACTION
SETTLEMENT OF OUTSTANDING CONTRACT SUM
PAYABLE BY BUKIT PELALI**

A Letter from the Board is set out on pages 7 to 33 of this circular.

The Master Supplemental Agreement and the transactions contemplated thereunder have been approved by way of written Shareholders' approval pursuant to Rule 14.44(2) of the Listing Rules in lieu of a general meeting of the Company. This circular is despatched to the Shareholders for information only and no Shareholders' meeting will be held.

19 July 2022

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	7
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — PROPERTIES VALUATION REPORT	II-1
APPENDIX III — GENERAL INFORMATION	III-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Additional Escrow Property(ies)”	having the meaning ascribed to it under the paragraph headed “2.1 Principal terms of the Master Supplemental Agreement” of the Letter from the Board of this circular;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Astaka Holdings Limited”	Astaka Holdings Limited, a company incorporated in the Republic of Singapore, whose shares are listed on the Catalist Board of the Singapore Exchange, being the indirect holding company of Astaka Padu;
“Astaka Padu”	Astaka Padu Sdn. Bhd., a company incorporated in Malaysia on 14 June 1993 which engages in property development and a 99.99% indirectly owned subsidiary of Astaka Holdings Limited whose shares are listed on the Catalist Board of the Singapore Exchange, being a party to the Master Supplemental Agreement and Property S&P Agreement(s);
“Astaka Project”	the property development project of “Astaka @ One Bukit Senyum” developed by Astaka Padu, being a mixed development comprising (i) residential towers; and (ii) the headquarters of the Johor Bahru City Council, Menara MBBJ with phase 3 @ One Bukit Senyum to comprise a five-star hotel, branded residences, serviced apartments, an entertainment hub and an office tower;
“Board”	the board of Directors;
“Bukit Pelali”	Bukit Pelali Properties Sdn. Bhd., a company incorporated in Malaysia, being a joint venture whose total issued share capital is owned indirectly as to approximately 51% by Astaka Holdings Limited and approximately 49% by Saling Syabas, being a party to the Master Supplemental Agreement;
“Bukit Pelali Project”	the property development project of “Bukit Pelali @ Pengerang” developed by Bukit Pelali, being a 363-acre strata township located in south-eastern Johor comprising residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station, with JBB Builders having been appointed as the main contractor to undertake various building and infrastructure work pursuant to the Contractor Agreements;

DEFINITIONS

“Certificate of Completion and Compliance”	the certificate of completion and compliance given or granted under the Street, Drainage and Building Act 1974 (Act 133) and any by-laws made under that act certifying that the housing accommodation has been completed and is safe and fit for occupation;
“Certificate(s) of Making Good Defects”	the certificate(s) of making good defects to be issued by the architect or superintending officer in Malaysia certifying that the contractor has made good all defects;
“Company”	JBB Builders International Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“Completion”	(a) the execution of the Property S&P Agreements in respect of the Contra Properties for the purpose of transferring the Contra Properties from Astaka Padu to JBB Builders or its nominee(s); and (b) the delivery of the beneficial ownership and legal possession of the Contra Properties by Astaka Padu to JBB Builders or its nominee(s) pursuant to the provisions of the Master Supplemental Agreement;
“Completion Date”	the business day (as defined under the Master Supplemental Agreement) falling 7 days from the Unconditional Date, or such other date as Bukit Pelali and JBB Builders may mutually agree upon in writing upon which Completion is to take place;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contractor Agreement(s)”	for the purpose of this circular, means the thirteen (13) letters of award and the supplemental agreements thereto entered into between Bukit Pelali as the property developer and JBB Builders as the main contractor, whereby JBB Builders had been appointed as the main contractor to undertake various construction and infrastructure works for the Bukit Pelali Project, and such other documents and contracts issued or signed between Bukit Pelali and JBB Builders in connection with the Bukit Pelali Project;
“Contra Properties”	a total of twenty (20) properties to be conditionally transferred to JBB Builders or its nominee(s) by way of contra and set off pursuant to the Master Supplemental Agreement, the details of which are disclosed in the paragraph headed “4.1 <i>The Contra Properties and the Escrow Properties</i> ” of the Letter from the Board of this circular;

DEFINITIONS

“Contra Properties Settlement Amount”	having the meaning ascribed to it under the paragraph headed “2.1 Principal terms of the Master Supplemental Agreement” of the Letter from the Board of this circular;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise refers to the controlling shareholders of the Company;
“Datin Ngooi”	Datin Ngooi Leng Swee, a non-executive Director, the spouse of Dato’ Ng and one of the Controlling Shareholders;
“Dato’ Ng”	Dato’ Ng Say Piyu, an executive Director, chairman of the Board, the spouse of Datin Ngooi and one of the Controlling Shareholders;
“Director(s)”	the directors of the Company;
“Escrow Properties”	a total of nine (9) properties to be held in escrow by JBB Builders’ solicitors as security pursuant to the Master Supplemental Agreement, the details of which are disclosed in the paragraph headed “4.1 The Contra Properties and the Escrow Properties” of the Letter from the Board of this circular;
“Final Account”	final account(s) in respect of the amounts payable by Bukit Pelali to JBB Builders under eight (8) of the Contractor Agreements which are to be finalised and subject to adjustment;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China;
“Independent Third Party(ies)”	a person(s) or company(ies) who/which is or are independent of and not connected with the Group or any of their respective associates within the meaning of the Listing Rules;
“Independent Valuer”	Knight Frank Petty Limited, an independent valuer appointed by the Company for the valuation of the Contra Properties and the Escrow Properties;
“JBB Berlian”	JBB Berlian Investment Limited, a company incorporated in the British Virgin Islands with limited liability on 17 April 2018 and the entire issued share capital of which is owned by Datin Ngooi;
“JBB Builders”	JBB Builders (M) Sdn. Bhd., a company incorporated in Malaysia with limited liability on 4 May 1996 and an indirect wholly-owned subsidiary of the Company;

DEFINITIONS

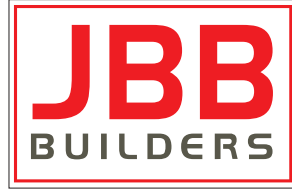
“JBB Jade”	JBB Jade Investment Limited, a company incorporated in the British Virgin Islands with limited liability on 17 April 2018 and the entire issued share capital of which is owned by Dato’ Ng;
“Johor”	the State of Johor, a Malaysian state located in the southern region of peninsular Malaysia and adjacent to Singapore;
“Latest Practicable Date”	13 July 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Long Stop Date”	31 August 2022, or such other date as JBB Builders and Bukit Pelali may mutually agree in writing;
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the option market;
“Master Supplemental Agreement”	the agreement dated 22 June 2022 entered into between JBB Builders, Bukit Pelali and Astaka Padu in respect of the settlement of the Outstanding Contract Sum, the principal terms of which are disclosed in the paragraph headed “ <i>2.1 Principal terms of the Master Supplemental Agreement</i> ” of the Letter from the Board of this circular;
“Model Code”	Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers) to the Listing Rules;
“Monthly Installment(s)”	having the meaning ascribed to it under the paragraph headed “ <i>2.1 Principal terms of the Master Supplemental Agreement</i> ” of the Letter from the Board of this circular;
“Outstanding Contract Sum”	having the meaning ascribed to it under the paragraph headed “ <i>2.1 Principal terms of the Master Supplemental Agreement</i> ” of the Letter from the Board of this circular;
“Payment Arrangement”	having the meaning ascribed to it under the paragraph headed “ <i>2.1 Principal terms of the Master Supplemental Agreement</i> ” of the Letter from the Board of this circular;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“Property(ies)”	the Contra Properties, the Escrow Properties and/or Additional Escrow Property(ies);

DEFINITIONS

“Property Purchase Price(s)”	the net purchase price for the Properties;
“Property S&P Agreement(s)”	the conditional sale and purchase agreement proposed to be entered into between Astaka Padu or the relevant owner of the Property(ies) as the vendor and JBB Builders or its nominee(s) as the purchaser in respect of the transfer of the Contra Properties (and where applicable, the Escrow Properties and Additional Escrow Property(ies)), the principal terms of which are disclosed in the paragraph headed “2.2 <i>Principal terms of the Property S&P Agreement(s)</i> ” of the Letter from the Board of this circular;
“Property Transfer Documents”	for the purpose of the Master Supplemental Agreement and this circular, means collectively: (i) a valid and registrable but undated memorandum of transfer in Form 14A of the National Land Code (Act 56 of 1965) of Malaysia or such other prescribed statutory form, in respect of the relevant Properties, duly completed and executed by Astaka Padu or owner of Additional Escrow Property(ies) with the details of the transferee being left blank; (ii) the original issue documents of strata/individual titles to the relevant Properties; (iii) the offer form of purchase of the relevant Properties, duly completed and executed by Astaka Padu or owner of Additional Escrow Property(ies) with the details of the transferee being left blank; (iv) the quit rent and assessment receipts in respect of the relevant Properties for the current year; and (v) the certified true copies company secretarial documents of Astaka Padu and owner of Additional Escrow Property(ies);
“Relevant Purchaser”	having the meaning ascribed to it under the paragraph headed “2.2 <i>Principal terms of the Property S&P Agreement(s)</i> ” of the Letter from the Board of this circular;
“Relevant Vendor”	having the meaning ascribed to it under the paragraph headed “2.2 <i>Principal terms of the Property S&P Agreement(s)</i> ” of the Letter from the Board of this circular;
“RM” or “Ringgit”	Ringgit Malaysia, the lawful currency of Malaysia;
“Saling Syabas”	Saling Syabas Sdn. Bhd., a company incorporated in Malaysia and a shareholder holding approximately 49% of the total issued share capital of Bukit Pelali;
“Settlement Transactions”	the Master Supplemental Agreement; the Property S&P Agreement(s) and the transactions as contemplated thereunder;

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Singapore Exchange”	The Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Unconditional Date”	the date upon which all the conditions precedent set out in the Master Supplemental Agreement have been obtained and fulfilled by the Long Stop Date and whereupon the Master Supplemental Agreement becomes unconditional; and
“%”	percent.



JBB Builders International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1903)

Executive Directors

Dato' Ng Say Piyu (*Chairman*)
Mr. Lam Fung Eng
Mr. Ng Chong Boon

Non-executive Director

Datin Ngooi Leng Swee

Independent non-executive Directors

Mr. Tai Lam Shin
Mr. Chan Tsun Choi, Arnold
Ms. Chan Pui Kwan

Registered office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters in Malaysia

No. 20-01, Jalan Sri Perkasa 2/18
Taman Tampoi Utama
81200 Johor Bahru
Malaysia

Principal place of business in Hong Kong

Room 1222, 12/F,
Soundwill Plaza II — Midtown
1-29 Tang Lung Street
Causeway Bay
Hong Kong

19 July 2022

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
SETTLEMENT OF OUTSTANDING CONTRACT SUM
PAYABLE BY BUKIT PELALI**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 22 June 2022 in relation to the Settlement Transactions.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Settlement Transactions; (ii) financial information of the Group; (iii) the valuation report in respect of the Properties; and (iv) other information as required under the Listing Rules.

2. SETTLEMENT TRANSACTIONS

On 22 June 2022 (after trading hours), JBB Builders (an indirect wholly-owned subsidiary of the Company), Bukit Pelali and Astaka Padu had entered into the Master Supplemental Agreement, pursuant to which, JBB Builders had conditionally agreed to settle the Outstanding Contract Sum in the total amount of approximately RM59.0 million owed to JBB Builders and payable by Bukit Pelali under the Contractor Agreements by way of:

- (i) accepting twenty (20) Contra Properties from Astaka Padu by way of contra and set-off; and
- (ii) accepting the Monthly Installments to be paid by Bukit Pelali to JBB Builders.

2.1 Principal terms of the Master Supplemental Agreement

The principal terms of the Master Supplemental Agreement are set out below:

- Date : 22 June 2022 (after trading hours)
- Parties : (1) Bukit Pelali;
- (2) Astaka Padu; and
- (3) JBB Builders.

For the background of Bukit Pelali and Astaka Padu, please refer to the paragraph headed “3. *INFORMATION OF BUKIT PELALI AND ASTAKA PADU*” of this Letter from the Board.

LETTER FROM THE BOARD

Subject matter : JBB Builders and Bukit Pelali agreed, acknowledged and confirmed that, subject to any adjustment in the Final Account, the outstanding contract sum remaining payable by Bukit Pelali to JBB Builders as at 31 May 2022 under the Contractor Agreements is approximately RM59.0 million (the “**Outstanding Contract Sum**”), comprising:

- i. approximately RM42.5 million being the contract sum due and payable by Bukit Pelali to JBB Builders for completing certain construction and infrastructure works for the Bukit Pelali Project pursuant to the relevant Contractor Agreements; and
- ii. approximately RM16.5 million being the contract sum payable by Bukit Pelali to JBB Builders for completing certain construction and infrastructure works for the Bukit Pelali Project pursuant to the relevant Contractor Agreements, subject to (i) the issuance of the Final Account; (ii) the expiry of defect liability period for the relevant Contractor Agreements; and (iii) the issuance of the Certificate(s) of Making Good Defects for the relevant Contractor Agreements.

After the completion of works under each Contractor Agreement, JBB Builders will submit the Final Account to the respective architect or superintending officer for certification. The Final Account will include details of works undertaken by JBB Builders including variation orders and bills of quantity of each of the works performed. The respective architect or superintending officer will check against each claim item and, where appropriate, make adjustment to the amount claimed. There is no cap on the adjustment amount of the Final Account but the historical adjustments made in relation to the Bukit Pelali Project works ranged between downward adjustment of approximately 3.1% of the amount originally claimed and upward adjustment of approximately 2.6% of the amount originally claimed, or on average a downward adjustment of approximately 1.5% of the amount originally claimed.

LETTER FROM THE BOARD

Payment Arrangement : JBB Builders and Bukit Pelali agreed to settle the Outstanding Contract Sum as follows (the “**Payment Arrangement**”):

- i. a sum of approximately RM41.6 million (being approximately 70.6% of the Outstanding Contract Sum) (the “**Contra Properties Settlement Amount**”) shall be paid via the transfer by Astaka Padu of twenty (20) Contra Properties amounting to a total Property Purchase Price of approximately RM41.6 million to JBB Builders or its nominee(s) by way of contra and set-off against the relevant part of the Outstanding Contract Sum on a “Ringgit for Ringgit” basis on the Completion Date; and
- ii. subject to any adjustment in the Final Account (if applicable), a sum of approximately RM17.4 million (being approximately 29.4% of the Outstanding Contract Sum) shall be paid by Bukit Pelali to JBB Builders via twenty two (22) monthly installments (the “**Monthly Installment(s)**”) as follows:
 - (a) For the first six (6) months commencing from the date of the Master Supplemental Agreement, a fixed sum of RM300,000 in cash shall be paid on or before the last day of each month;
 - (b) For the 7th month to the 21st month, a fixed sum of RM1,000,000 in cash shall be paid on or before the last day of each month; and
 - (c) For the 22nd month, the remaining balance of approximately RM0.6 million in cash shall be paid on or before the last day of the 22nd month in a lump sum; and

LETTER FROM THE BOARD

JBB Builders and Bukit Pelali agree and covenant that the Monthly Installment(s) will not be due and payable until and unless (i) the relevant Certificate(s) of Making Good Defects has been issued by the relevant authorities or parties; and (ii) JBB Builders having issued its final claim for the relevant Contractor Agreements to Bukit Pelali. In the event both the Certificate(s) of Making Good Defects and the final claim from JBB Builders are not made available to Bukit Pelali at least twenty one (21) days prior to the actual due date of each payment stage referred to as above, Bukit Pelali shall be entitled to withhold the relevant Monthly Installment(s) until the issuance and receipt of the Certificate(s) of Making Good Defects and the final claim from JBB Builders, whereupon Bukit Pelali shall release and pay JBB Builders the accumulated Monthly Installment(s) within sixty (60) days from the date of Bukit Pelali's receipt of both the Certificate(s) of Making Good Defects and the final claim from JBB Builders.

The transfer of each of the twenty (20) Contra Properties shall be effected by Astaka Padu and JBB Builders (or its nominee(s) as the case may be) entering into the relevant Property S&P Agreement. For the principal terms of the Property S&P Agreement, please refer to the paragraph headed "*2.2 Principal terms of the Property S&P Agreement(s)*" of this Letter from the Board.

For the details of the Contra Properties, please refer to the paragraph headed "*4.1 The Contra Properties and the Escrow Properties*" of this Letter from the Board.

LETTER FROM THE BOARD

Adjustment to Outstanding Contract Sum : Bukit Pelali and JBB Builders agree and covenant that the Outstanding Contract Sum shall be adjusted downwards or upwards accordingly by an amount equivalent to the adjusted amount prescribed in the Final Account in which event:

- (a) if the Outstanding Contract Sum is adjusted upwards, the 22nd Monthly Installment shall be increased by a sum equivalent to the adjusted amount;
- (b) if the Outstanding Contract Sum is adjusted downwards, the 22nd Monthly Installment shall be reduced by a sum equivalent to the adjusted amount; and
- (c) any adjustment to be made shall be settled by varying the Monthly Installment(s) in accordance with the Payment Arrangement, and as and when necessary and applicable, the Monthly Installment(s) preceding the 22nd Monthly Installment may be adjusted accordingly by mutual agreement of Bukit Pelali and JBB Builders.

Contra Properties : JBB Builders and Bukit Pelali agree that:

- i. each of the Contra Properties shall be delivered on an “as is where is” basis, free from any encumbrances, with vacant possession and with the Certificate of Completion and Compliance;

LETTER FROM THE BOARD

- ii. JBB Builders will, at any time after the date of the Master Supplemental Agreement, be entitled at its own cost and expense to present and register a private caveat against the Contra Properties for the purpose of protecting the interest of JBB Builders in the Contra Properties prior to the registration of the transfer or the termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement, provided that JBB Builders shall have executed and delivered a valid and registrable withdrawal of private caveat together with the requisite registration fees for the withdrawal of such private caveat to JBB Builders' solicitors as stakeholders, who shall be authorised to present the same for registration with the relevant land registry upon the termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement;
- iii. the beneficial ownership and legal possession of the Contra Properties shall be delivered by Astaka Padu to JBB Builders or its nominee(s) on the Completion Date notwithstanding the legal ownership of the Contra Properties remains with Astaka Padu, pending the transfer of the original issue documents of strata/individual titles to the Contra Properties by Astaka Padu in favour of JBB Builders or its nominee(s);
- iv. at any time prior to the Completion Date, JBB Builders shall be entitled and has the right to appoint nominee(s) to receive and accept the Contra Properties in place of JBB Builders by giving Bukit Pelali notice(s) in writing of such nomination together with all particulars of the nominee(s); and

LETTER FROM THE BOARD

- v. the contra and set off of the Contra Properties at the relevant Contra Properties Settlement Amount shall for all intents and purposes be effected on the Completion Date whereupon:
 - (a) the Outstanding Contract Sum shall be reduced by a sum equivalent to the Contra Properties Settlement Amount and a sum equivalent to Contra Properties Settlement Amount shall be deemed paid and settled by Bukit Pelali towards partial settlement of the Outstanding Contract Sum;
 - (b) the Property Purchase Purchase Prices of the Contra Properties shall be deemed paid and settled in full by JBB Builders or its nominee(s) to Astaka Padu, and Astaka Padu shall not make any claim against JBB Builders or its nominee(s) for the purchase price payable under the relevant Property S&P Agreement; and
 - (c) Bukit Pelali shall procure Astaka Padu to execute an acknowledgement of receipt of the full purchase price payable for the Contra Properties.

Escrow Properties held by JBB Builders' solicitors in escrow as security for Bukit Pelali's payment obligation : As security for compliance by Bukit Pelali of its payment obligation in respect of the Monthly Installments, Bukit Pelali agreed and covenanted that it shall procure Astaka Padu to deliver the Property Transfer Documents and Property S&P Agreement(s) in respect of the Escrow Properties to JBB Builders' solicitors upon the execution of the Master Supplemental Agreement to hold in escrow as security for the settlement of the Monthly Installments in accordance with the Payment Arrangement.

LETTER FROM THE BOARD

Adjustment
mechanism on the
number of Escrow
Properties

- : (a) Right to request for release of the Escrow Properties

Bukit Pelali shall, subject to JBB Builders' prior written consent, be entitled to withdraw one or more of the Escrow Properties, from being part of the security to the Monthly Installment(s) in the event the cumulative Monthly Installment(s) made by Bukit Pelali to JBB Builders pursuant to the Payment Arrangement shall be equivalent to or exceed the Property Purchase Price of the subject Escrow Properties requested to be withdrawn by Bukit Pelali. JBB Builders shall, within fourteen (14) days from its receipt of Bukit Pelali's request in writing inform Bukit Pelali whether it is agreeable to such withdrawal, and immediately thereafter release and return the Property Transfer Documents and Property S&P Agreement(s) in respect of the subject Escrow Properties to Bukit Pelali should JBB Builders be agreeable to such withdrawal, provided always that the reassessment of the value of the Escrow Properties shall be conducted every June and December of each calendar year until the Monthly Installments is fully repaid, by an independent certified valuer appointed by JBB Builders, at its own cost and expense, whose valuation on the Escrow Properties shall, in the absence of any manifest error, be referred to by both JBB Builders and Bukit Pelali in determining the prevailing price of each Escrow Property.

In the event Bukit Pelali wishes to withdraw one or more of the Additional Escrow Property(ies) from being part of the security to the Monthly Installment(s), the above provision shall apply *mutatis mutandis*.

- (b) Right to require Additional Escrow Property(ies)

In the case that the cumulative value of the Escrow Properties is less than the remaining amount of Monthly Installment(s) payable by Bukit Pelali to JBB Builders,

LETTER FROM THE BOARD

- (i) JBB Builders shall have the right and is entitled to obtain additional properties to be held by JBB Builders' solicitors in escrow (the "**Additional Escrow Property(ies)**") pending the settlement of the Monthly Installment(s). The Additional Escrow Property(ies) shall (a) be agreed upon by JBB Builders; (b) with the price to be mutually determined by Bukit Pelali and JBB Builders after making reference to the valuation(s) conducted by an independent certified valuer appointed by JBB Builders, at its own cost and expense; and (c) have a minimum cumulative value equivalent to or exceeding the difference in value between the remaining amount of the Monthly Installment(s) payable by Bukit Pelali to JBB Builders and the cumulative agreed value of the remaining Escrow Properties; and
- (ii) Bukit Pelali shall procure the owner of the Additional Escrow Property(ies) to deliver the Property Transfer Documents and Property S&P Agreement in respect of the Additional Escrow Property(ies) to JBB Builders' solicitors within seven (7) days from Bukit Pelali's receipt of a notice in writing from JBB Builders agreeing to such identified Additional Escrow Property(ies) to hold in escrow as security for the settlement of the Monthly Installment(s).

LETTER FROM THE BOARD

- JBB Builders' right to register caveat against Escrow Properties and Additional Escrow Property(ies) : JBB Builders will, at any time after the date of the Master Supplemental Agreement, be entitled at its own cost and expense to present and register a lienholder's caveat against the Escrow Properties and the Additional Escrow Property(ies) (if applicable) as security for the settlement of the Monthly Instalments, provided that JBB Builders shall have executed and delivered the prescribed requisite notice in writing together with the requisite registration fees for the withdrawal of such lienholder's caveat to JBB Builders' solicitors as stakeholders, who shall be authorised to present the same for registration with the relevant land registry upon (i) the withdrawal of the relevant Escrow Properties and the Additional Escrow Property(ies) (if applicable); (ii) the full and final payment of the Monthly Instalments; and (iii) termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement.
- Enforcement of the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) : In the event of a three-consecutive defaults in payment of the Monthly Installments after the same shall have become due (whether demanded or not), JBB Builders shall be entitled,
- (i) by giving a written notice to Bukit Pelali, to present the Property Transfer Documents of the relevant Escrow Property(ies) and Additional Escrow Property(ies) (if applicable) having a total Property Purchase Price equivalent to the aggregate outstanding Monthly Installments in default for registration of transfer of the relevant Escrow Property(ies) and Additional Escrow Property(ies) (if applicable) in favour of JBB Builders or its nominee(s) at the relevant land registry. Following the issuance of the aforesaid written notice to Bukit Pelali by JBB Builders, an amount equivalent to the outstanding Monthly Installments in default shall be deemed paid and settled in full by Bukit Pelali to JBB Builders; and

LETTER FROM THE BOARD

- (ii) to create charges over the remaining Escrow Properties and Additional Escrow Property(ies) (if applicable) having a total Property Purchase Price equivalent to or not less than the aggregate outstanding Monthly Instalments which remains to be payable by Bukit Pelali in accordance with the Payment Arrangement, at its own cost and expense.

- Release of the Property Transfer Documents upon fulfilment of payment obligation by Bukit Pelali : JBB Builders shall, within fourteen (14) days after Bukit Pelali having fulfilled its payment obligations in respect of the last Monthly Installment pursuant to the Payment Arrangement, return and release all the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) held by JBB Builders' solicitors as at that date, to Bukit Pelali, whereupon neither JBB Builders, Bukit Pelali nor Astaka Padu shall have any further obligation in respect of the Escrow Properties and Additional Escrow Property(ies) and Bukit Pelali and Astaka Padu shall be entitled to deal with such Escrow Properties and Additional Escrow Property(ies) at its sole and absolute discretion.
- Conditions precedent : The Payment Arrangement under the Settlement Transactions are conditional upon:
- i. Astaka Holdings Limited having obtained the consent and/or approval from its shareholders and where applicable, the Singapore Exchange for, amongst others, the settlement arrangement of the Outstanding Contract Sum in accordance with the terms and conditions of the Master Supplemental Agreement (including the execution of the Property S&P Agreement(s)) on or before the Long Stop Date; and
 - ii. the Company having obtained the consent and/or approval from the Shareholders and, where applicable, the Stock Exchange in respect of the Settlement Transactions on or before the Long Stop Date;

LETTER FROM THE BOARD

if any of the conditions precedent shall have not been obtained or fulfilled on or before the Long Stop Date, then either JBB Builders or Bukit Pelali shall be entitled to terminate the Master Supplemental Agreement by giving a notice of termination to that effect to the other party and Astaka Padu,

- i. whereupon any Monthly Installment(s) paid by Bukit Pelali as at the date of the notice of termination shall be deemed to be made by Bukit Pelali pursuant to the terms of the respective Contractor Agreement(s) and thereafter, the rights and liabilities of JBB Builders and Bukit Pelali pursuant to the Contractor Agreement(s) shall remain and prevail, and JBB Builders, Bukit Pelali and Astaka Padu shall not have any further rights under the Master Supplemental Agreement except in respect of (i) any obligation under the Master Supplemental Agreement which is expressed to apply after termination; and (ii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Master Supplemental Agreement to any party prior to such termination; and
- ii. JBB Builders shall be entitled to exercise all its rights and remedies provided under the applicable laws to recover the remaining Outstanding Contract Sum, less an amount equivalent to the Monthly Installment(s) paid as at the date of the notice of termination, due and payable by Bukit Pelali.

Representations and warranties : JBB Builders, Bukit Pelali and Astaka Padu represented and warranted to each other that the following representations and warranties are true and correct in all respects as at the date of the Master Supplemental Agreement and shall be true and correct throughout the subsistence of the Master Supplemental Agreement and up to the full and final settlement of the Outstanding Contract Sum with the same force and effect as if they had been made as at that later date in the circumstances then existing:

LETTER FROM THE BOARD

- i. it is a company duly incorporated and existing under, and by virtue of, the laws of Malaysia and it has not been placed under receivership and there are no steps being commenced and/or instituted by any person to place it under receivership; and it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it;
- ii. the respective facts set out in the Master Supplemental Agreement in relation to Bukit Pelali, Astaka Padu and JBB Builders are true and correct;
- iii. it has the full power to enter into and carry out the provisions of the Master Supplemental Agreement; and
- iv. the Master Supplemental Agreement constitutes the valid and binding obligation of the party enforceable in accordance with its terms.

LETTER FROM THE BOARD

Bukit Pelali also warranted to JBB Builders that the following warranties and representations are to the best of the knowledge and belief of Bukit Pelali true and accurate in all respects as at the date of the Master Supplemental Agreement and shall be true and accurate in all respects throughout the subsistence of the Master Supplemental Agreement and up to the full and final settlement of the Outstanding Contract Sum with the same force and effect as if they had been made as at that later date in the circumstances then existing:

- i. Astaka Padu is the registered and beneficial owner of the Contra Properties and the Escrow Properties and is absolutely entitled to transfer the Contra Properties and the Escrow Properties to JBB Builders or its nominee(s). Astaka Padu will not after the date of the Master Supplemental Agreement sell, dispose, charge, mortgage, assign, transfer or in any manner whatsoever encumber, deal with or part with possession of the Contra Properties and the Escrow Properties or create or permit to be created any lien over the Contra Properties and the Escrow Properties;
- ii. none of the Contra Properties and the Escrow Properties are reserved for Malaysians or Bumiputeras only;
- iii. the Contra Properties and the Escrow Properties are free from all encumbrances and the Contra Properties and the Escrow Properties will up to the full and final settlement of the Outstanding Contract Sum pursuant to the terms of the Master Supplemental Agreement be free from all encumbrances; there is no previous sale and purchase agreement(s) for the sale of the Contra Properties and the Escrow Properties which remains subsisting; and Astaka Padu has not granted and will not after the date of the Master Supplemental Agreement grant any easement, right of way or use, or any other similar right in respect of the Contra Properties and the Escrow Properties to any person, firm, company or authority other than JBB Builders or its nominee(s);

LETTER FROM THE BOARD

- iv. Astaka Padu has not received any notices, from any federal, state, local government authority or statutory board which remain outstanding and which will or may prejudice or adversely affect the present or continued use and enjoyment by Astaka Padu or its successors-in-title of the Contra Properties and the Escrow Properties or which will or may subject Astaka Padu or its successors-in-title to any onerous charge or liability, and Bukit Pelali shall procure Astaka Padu to immediately give notice to JBB Builders of any such notices, orders or requirements Astaka Padu receives from any federal, state, local government authority or statutory board at any time after the date of the Master Supplemental Agreement; and
- v. to the best knowledge of Bukit Pelali, (i) there is no pending or threatened suit, legal proceedings, claim or bankruptcy proceedings against Astaka Padu which may affect in any way the rights of Astaka Padu in relation to the Contra Properties and the Escrow Properties, and Bukit Pelali will not do anything which might give rise to any legal proceedings or claims against Bukit Pelali or Astaka Padu or which may affect in any way the rights of Astaka Padu or JBB Builders or its nominee(s) in relation to the Contra Properties and the Escrow Properties; and (ii) the Contra Properties and the Escrow Properties are not subject to any acquisition proceedings and no acquisition proceedings are pending in respect thereof.

Termination of the
Master
Supplemental
Agreement

: In the event that:

- i. either JBB Builders, Bukit Pelali or Astaka Padu is or becomes, or is adjudicated or found to be, wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it; or
- ii. any of the warranties given by JBB Builders, Bukit Pelali or Astaka Padu is found at any time to be materially untrue or inconsistent,

LETTER FROM THE BOARD

JBB Builders, Bukit Pelali or Astaka Padu may, at any time while any such circumstance subsists, be at liberty to give a notice of termination to the other parties for the purpose of terminating the Master Supplemental Agreement.

Within fourteen (14) days of such notice of termination being duly given, JBB Builders shall:

- i. return and redeliver to Bukit Pelali the Property Transfer Documents in respect of the Properties which have yet to be transferred to JBB Builders or its nominee(s) pursuant to the Master Supplemental Agreement, as the case may be, together with the relevant Property S&P Agreement(s) (if applicable); and
- ii. re-deliver to Astaka Padu and the owner of Additional Escrow Property(ies), as the case may be, vacant possession of the Properties, if the same have been delivered to JBB Builders or its nominee(s) at any time prior to the Completion or the enforcement of the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) in accordance with the terms of the Master Supplemental Agreement; and
- iii. remove and withdraw all caveats, charges and other encumbrances entered or caused to be entered by JBB Builders over the Properties,

and whereupon JBB Builders shall be entitled to exercise all its rights and remedies to recover the remaining Outstanding Contract Sum due and payable by Bukit Pelali as at the date of the notice of termination.

LETTER FROM THE BOARD

Full and final settlement : JBB Builders and Bukit Pelali agreed that the Master Supplemental Agreement is in compromise and full and final settlement between JBB Builders and Bukit Pelali of all claims of whatever nature, howsoever arising, for or in connection with any complaint(s), claim(s) and/or proceeding(s) in respect of the Outstanding Contract Sum. Upon fulfillment of the payment obligation of Bukit Pelali pursuant to the Payment Arrangement, all claims made or which could be made of whatsoever kind or character which JBB Builders or Bukit Pelali have or had against each other in relation to any breach of contract, claim for compensation or on any other grounds whatsoever in connection with the Contractor Agreement(s) insofar as the Outstanding Contract Sum is concerned shall be deemed to have been fully and finally settled.

2.2 Principal terms of the Property S&P Agreement(s)

The principal terms of the Property S&P Agreement(s), each of which are substantially identical with each other save for the subject Properties, are set out below:

Parties : (1) Astaka Padu or owner of the Additional Escrow Property(ies) (as the vendor) (the “**Relevant Vendor**”); and
(2) JBB Builders or its nominee(s) (as the purchaser) (the “**Relevant Purchaser**”).

For the background of Astaka Padu, please refer to the paragraph headed “3. *INFORMATION OF BUKIT PELALI AND ASTAKA PADU*” of this Letter from the Board.

Subject matter : The Relevant Vendor shall sell and the Relevant Purchaser shall purchase the relevant Property at the relevant Property Purchase Price free from any agricultural or industrial conditions expressed or implied and all encumbrances and any conditions expressed or implied affecting the separate strata title to the relevant Property.

LETTER FROM THE BOARD

- Default by vendor : In the event of any breach by the Relevant Vendor of any of the material provisions of the Property S&P Agreement, the Relevant Purchaser shall be entitled to the remedy of specific performance against the Relevant Vendor provided always that nothing in the Property S&P Agreement shall be construed in any way so as to prejudice any other rights or remedies which the Relevant Purchaser may be entitled to against the Relevant Vendor.
- Separate strata title and transfer of title : The Relevant Vendor has, at its own cost and expense, obtained the issue of separate title to the relevant Property under the Strata Title Act 1985 of Malaysia.
- Vendor's representations and warranties : The Relevant Vendor shall represent and warrant that:
- i. the statements contained in the recitals to the relevant Property S&P Agreement are true and correct and form the basis of the relevant Property S&P Agreement;
 - ii. it has the power and rights to sell the relevant Property to the Relevant Purchaser;
 - iii. it has no knowledge of any outstanding notices of any relevant government authority adversely affecting the relevant Property or any part or portion thereof; and
 - iv. it has not received any notice nor is it aware of any intended acquisition under the Land Acquisition Act 1960 of Malaysia of the relevant Property or any part thereof that the same is not subject to acquisition or intended acquisition by any government, statutory, urban or municipal authority and that no advertisement in the government gazette of such intention has been published pursuant to the Land Acquisition Act 1960 of Malaysia.

LETTER FROM THE BOARD

For the avoidance of doubt, the relevant Property Purchase Price in respect of the Contra Properties shall be settled by way of contra and set off against part of the Outstanding Contract Sum to be effected on the Completion Date whereupon:

- (a) the Outstanding Contract Sum shall be reduced by a sum equivalent to the Contra Properties Settlement Amount and Bukit Pelali shall be regarded to have paid JBB Builders a sum equivalent to Contra Properties Settlement Amount towards partial settlement of the Outstanding Contract Sum; and
- (b) JBB Builders or its nominee(s) shall be regarded to have paid Astaka Padu in full the Property Purchase Price and Bukit Pelali and Astaka Padu shall not make any claim against JBB Builders or its nominee(s) for the purchase price payable under the relevant Property S&P Agreement.

2.3 Consideration and the basis of determination of the consideration

The consideration in respect of the Master Supplemental Agreement was arrived at after arm's length negotiation between JBB Builders and Bukit Pelali, which involved an exchange of consideration between JBB Builders and Bukit Pelali whereby Bukit Pelali had:

- (A) agreed, covenanted and undertaken to settle the Outstanding Contract Sum in accordance with the Payment Arrangement, which involved:
 - (i) settlement of the Contra Properties Settlement Amount with the Contra Properties; and
 - (ii) settlement of the remaining Outstanding Contract Sum by the Monthly Installments.

In exchange of which, JBB Builders had conditionally agreed to set off the Outstanding Contract Sum in the total amount of approximately RM59.0 million, being trade receivables and contract assets due from Bukit Pelali pursuant to the Contractor Agreements.

For the basis of determination on the valuation of the Properties, please refer to the paragraph headed "*4.2 Valuation for the Properties*" of this Letter from the Board.

3. INFORMATION OF BUKIT PELALI AND ASTAKA PADU

Bukit Pelali is a company incorporated in Malaysia which principally engages in the business of property development. It is a joint venture company which is owned approximately 51% by Astaka Padu and approximately 49% by Saling Syabas. Saling Syabas is a company incorporated in Malaysia which principally engages in land development and real estate activities. Saling Syabas is legally and beneficially owned entirely by Dato' Daing A Malek Bin Daing A Rahaman. Bukit Pelali is formed as a special purpose vehicle in respect of the Bukit Pelali Project, which is a property development project of "Bukit Pelali @ Pengerang" developed by Bukit Pelali, being a 363-acre strata

LETTER FROM THE BOARD

township located in south-eastern Johor to comprise residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station, with JBB Builders having been appointed as the main contractor to undertake various building and infrastructure works pursuant to the Contractor Agreements.

Astaka Padu is a company incorporated in Malaysia which principally engages in the business of property development. It is a 99.99% indirectly owned subsidiary of Astaka Holdings Limited, a company whose shares are listed on the Catalist Board of the Singapore Exchange.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Bukit Pelali and Astaka Padu and its respective ultimate beneficial owners is an Independent Third Party of the Group and its connected persons.

4. INFORMATION OF THE PROPERTIES AND THE VALUATION OF THE PROPERTIES

4.1 The Contra Properties and the Escrow Properties

The Contra Properties and the Escrow Properties consist of twenty (20) and nine (9) separate residential apartments from the Astaka Project located in the Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia, with a total Property Purchase Price of approximately RM41.6 million and RM20.6 million respectively. The Contra Properties have a built-up area ranging from approximately 2,207 square feet to 2,659 square feet and Property Purchase Price ranging from approximately RM1.8 million to RM2.4 million. The Escrow Properties have a built-up area ranging from approximately 2,217 square feet to 2,659 square feet and Property Purchase Price ranging from approximately RM1.8 million to RM2.4 million.

According to publicly available information and as represented by Astaka Padu, the Astaka Project is developed by Astaka Padu and is a mixed development comprising (i) residential towers; and (ii) the headquarters of the Johor Bahru City Council, Menara MBBJ with phase 3 @ One Bukit Senyum to comprise a five-star hotel, branded residences, serviced apartments, an entertainment hub and an office tower. As represented by Astaka Padu in the respective Property S&P Agreements concerning the Contra Properties and the Escrow Properties, Astaka Padu is the registered proprietor of each of the Contra Properties and the Escrow Properties and the construction of the relevant Contra Properties and the Escrow Properties has been completed and the Certificates of Completion and Compliance has been issued.

The Astaka Project is located in one of the fastest growing townships in Johor Bahru and is planned to become Johor Bahru's new central business district as the new headquarters of the Johor Bahru City Council is located within the Astaka Project. The construction of the residential apartments was completed in 2018 when the completion certificate was issued. Advertising Permit and Developer's License for the sale of the residential apartments was obtained in 2013. According to Astaka Padu, sales activities were held back during the COVID-19 pandemic and as of the Latest Practicable Date, approximately 80% of the residential apartments have been sold.

LETTER FROM THE BOARD

The Astaka Project is also within short distance to the Johor Bahru checkpoint to Singapore, which the Company believes will also attract potential buyers from Singapore and internationally who work in Singapore. The Company has selected the residential apartments from the Astaka Project as the Contra Properties and Escrow Properties as the Company considered that the property price of the Contra Properties and Escrow Properties is less susceptible to significant decrease during economic downturn and it would be easier for the Company to resell the Contra Properties and, where applicable, the Escrow Properties.

If Additional Escrow Property(ies) is/are required, the Company would also consider the residential apartments from the Astaka Project but if they are no longer available, the Company would select the Additional Escrow Property(ies) based on similar criteria as the Company has selected the Contra Properties and Escrow Properties.

4.2 Valuation for the Properties

The total Property Purchase Price of the twenty (20) Contra Properties shall be approximately RM41.6 million which shall be equal to the Contra Properties Settlement Amount, being part of the agreed settlement amount of the Outstanding Contract Sum. The total Property Purchase Price of the nine (9) Escrow Properties shall be approximately RM20.6 million which exceeds the total amount of the Monthly Installments by approximately RM3.2 million.

The Property Purchase Price of each of the Properties was determined after arm's length negotiation between JBB Builders and Bukit Pelali with reference to, among other things:

- (i) the current market selling prices of the Contra Properties and the Escrow Properties in the aggregate sum of approximately RM43.2 million and approximately RM21.4 million respectively which were offered by Astaka Padu in the market;
- (ii) the preliminary valuation conducted by the Independent Valuer on the Properties, with the market value of the Contra Properties of approximately RM42.2 million and Escrow Properties of approximately RM19.7 million as at 19 April 2022; and
- (iii) the discount of approximately RM1.6 million (or 3.7%) and approximately RM0.8 million (or 3.7%) of the current market selling prices of the Contra Properties and the Escrow Properties respectively which were offered by Astaka Padu in the market, as mutually agreed between JBB Builders and Bukit Pelali.

Although the total Property Purchase Price of the Escrow Properties of approximately RM20.6 million which is higher than the valuation conducted by the Independent Valuer of approximately RM19.7 million representing a premium of approximately RM0.9 million or 4.6%, given that the Escrow Properties are held for

LETTER FROM THE BOARD

security against payment of the Monthly Installments only and in view of the premium of approximately RM0.9 million or 4.6%, the Company considers that such premium to be immaterial and would not affect the fairness and reasonableness of the terms of the Settlement Transactions as a whole.

Please refer to the valuation report by the Independent Valuer set out in Appendix II — PROPERTIES VALUATION REPORT.

5. FINANCIAL IMPLICATION OF THE SETTLEMENT TRANSACTIONS

As at 30 April 2022, loss allowance on trade receivables and contract assets owing from Bukit Pelali of approximately RM14.8 million have been recognised. Upon entering into the Master Supplemental Agreement, allowance for impairment loss on trade receivables and contract assets of approximately RM11.2 million as of 30 April 2022 had been reversed and imputed interest expense of approximately RM1.0 million had been recognised.

Upon completion of the transfer of the Contra Properties on the Completion Date, trade receivables of approximately RM41.6 million will be set off by the recognition of non-current deposits paid for acquisition of investment properties for the transfer of the Contra Properties of approximately RM41.6 million measured at carrying value. It will be recognised as investment properties after the transfer of the title of the Contra Properties subject to fair value measurement with impact reflected in profit or loss in future. The recognition of allowance for impairment loss on trade receivables and contract assets in connection with such trade receivables of approximately RM3.1 million as of 30 April 2022 will be further reversed.

Trade receivables and contract assets owing from Bukit Pelali of approximately RM17.4 million in aggregate will be cleared upon the settlement of Monthly Installments by Bukit Pelali under the Master Supplemental Agreement. The recognition of allowance for impairment loss on trade receivables and contract assets in connection with such trade receivables and contract assets of approximately RM0.5 million as of 30 April 2022 will be reversed thereafter.

It is estimated that the Group will incur cost of approximately RM2.8 million in connection with the Settlement Transactions which included stamp duty on memorandum of transfer, legal fees and professional fees.

Save as disclosed above, the Board considers that there will be no material adverse impact on (a) the financial position and earnings, and (b) the business and operation, of the Group associated with the Settlement Transactions.

6. REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT TRANSACTIONS

Bukit Pelali Project is the property development project of “Bukit Pelali @ Pengerang” developed by Bukit Pelali, being a 363-acre strata township located in south-eastern Johor comprising residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station, with JBB Builders having been

LETTER FROM THE BOARD

appointed as the main contractor to undertake various building and infrastructure work pursuant to the Contractor Agreements. JBB Builders first commenced work under the Bukit Pelali Project in about June 2016. The total contract sum payable to JBB Builders under the Contractor Agreements as at 31 May 2022 including the Outstanding Contract Sum and inclusive of goods and services tax is approximately RM240.0 million. Of the said sum of approximately RM240.0 million, approximately RM181.0 million has been settled by Bukit Pelali, leaving the balance of approximately RM59.0 million as the Outstanding Contract Sum. The Outstanding Contract Sum comprised (i) approximately RM42.5 million, which has been overdue ranging from less than one year to less than three years as at 31 May 2022 and (ii) approximately RM16.5 million which has not past due and would be payable to JBB Builders subject to the issuance of the Final Account, the expiry of defect liability period and the issuance of the Certificate(s) of Making Good Defects for the relevant Contractor Agreements.

The Settlement Transactions were entered into as Bukit Pelali is unable to settle the outstanding trade receivables and contract assets on schedule, it is mutually agreed between JBB Builders and Bukit Pelali that the Contra Properties owned by Astaka Padu, a shareholder of Bukit Pelali holding approximately 51% of its share capital, are to be transferred to JBB Builders as partial settlement of the outstanding trade receivables and contract assets, while Escrow Properties owned by Astaka Padu are to be held on escrow by JBB Builders as security until full payment of the Monthly Installments.

The Company has closely monitored the delay by Bukit Pelali in the payment of trade receivables and have entered active negotiations with the management of Bukit Pelali for early settlement of the trade receivables. The Company has also considered the option of resorting to legal actions. However, after having considered that substantial costs which may be involved in litigation, huge amount of time and effort which will be expended to manage the litigation, and the uncertainties and lengthy process of litigation, the Company was of the view that litigation was not in the best interests of the Company and the Shareholders as a whole.

Pursuant to the Settlement Transactions, a sum of approximately RM41.6 million would be settled by the transfer of the Contra Properties by way of contra and set-off. Upon the transfer of the Contra Properties on the Completion Date, the Group will immediately be entitled to assets with a value of approximately RM41.6 million, representing approximately 97.9% of that part of the Outstanding Contract Sum of approximately RM42.5 million which has been overdue; and the Group will immediately cease to be exposed to that part of credit risk. As for the remaining sum of approximately RM17.4 million (of which approximately RM16.5 million has not been due but is expected to be due and payable within the next 24 months subject to the issuance of the Final Account, the expiry of defect liability period and the issuance of the Certificate(s) of Making Good Defects for the relevant Contractor Agreements), it will be paid by Bukit Pelali by twenty two (22) monthly instalments pursuant to the Settlement Transactions. By accepting the payment by monthly instalments, the Group will obtain the additional benefits of having the Escrow Properties and where appropriate, the Additional Escrow Property(ies) as security for the payment, which security the Group would not otherwise have. The Company has been monitoring the financial position of Astaka Holdings Limited and based

LETTER FROM THE BOARD

on publicly available information, the Company noted that the controlling shareholder of Astaka Holdings Limited had in February 2022 agreed to grant an unsecured loan of up to RM60 million to Astaka Padu for general corporate and working capital purposes, and Astaka Padu had in January 2022 entered into a conditional sale and purchase agreement for the disposal of land at a consideration of RM116,000,000 which were to be used for working capital, repaying its existing creditors, reducing the loans/advances from its controlling shareholder and fund other project pipelines. With the re-opening of the boarder of Malaysia and Singapore, the Company considers the economy of Malaysia including the real estate/construction industry will gradually recover. The Company is of the view that Bukit Pelali will have the ability to pay the Monthly Instalments on schedule.

The Directors are of the view that by entering into the Settlement Transactions, the Group shall (i) immediately cease to be exposed to part of the credit risk associated with the Outstanding Contract Sum by settling the Contra Properties Settlement Amount with the transfer of the Contra Properties; and (ii) cease to be exposed to the rest of the credit risk associated with the Outstanding Contract Sum with cash payment from Bukit Pelali in an orderly manner, which will improve the financial position of the Group in the future.

On 22 June 2022, being the date of announcement of the Company in respect of the Settlement Transactions, the Board had approved the terms of the Master Supplemental Agreement and the Settlement Transactions, and considered the terms and the transactions being fair and reasonable and in the interests of the Company and the Shareholders as a whole in view of the following:

- (a) the Group will upon the Completion Date be immediately entitled to assets with a value of approximately RM41.6 million thereby ceasing to be exposed to the credit risk;
- (b) the Group will receive payment of the remaining sum of approximately RM17.4 million by the Monthly Instalments in an orderly manner;
- (c) the Group has obtained security for payment of the Monthly Instalments which security the Group would not otherwise have;
- (d) the Group is expected to recover the full value of the Outstanding Contract Sum (except for the expenses associated with the Settlement Transactions); and
- (e) the Settlement Transactions are the best arrangements which the Group could obtain in the circumstances.

By accepting the Contra Properties in partial settlement of the Outstanding Contract Sum, the Group will upon Completion acquire the Contra Properties of a value of approximately RM42.2 million (based on the valuation of the Contra Properties as at 19 April 2022). At present, the Group does not intend to hold the Contra Properties as long term investment. The Group intends to realise the value of the Contra Properties by selling the Contra Properties in the market and discussing with our sub-contractor(s) to take over the Contra Properties to settle the Group's trade payables. The Group has initiated discussions with its sub-contractors to explore the possibility of accepting the Contra

LETTER FROM THE BOARD

Property(ies) in settlement of trade payables. Upon Completion, the Group will also put up the Contra Properties for sale in the market through real estate agent(s). The Contra Properties may also be pledged to the banks for additional banking facilities for the Group's business operations if necessary while the Contra Properties are still being held by the Group. The proposed arrangements would also apply to the Escrow Property(ies) and Additional Escrow Property(ies) in the event of Bukit Pelali's default in Monthly Installments and the Group acquires Escrow Property(ies) and Additional Escrow Property(ies).

7. GENERAL INFORMATION OF JBB BUILDERS AND THE COMPANY

JBB Builders is a company incorporated in Malaysia with limited liability on 4 May 1996 and an indirect wholly-owned subsidiary of our Company. It mainly engages in the business of marine construction, building and infrastructure services and trading of marine gas oil.

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange.

8. LISTING RULES IMPLICATION

As the highest percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions shall constitute a major transaction of the Company under the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, while Dato' Ng has declared that he was interested in the shares in Astaka Holdings Limited representing approximately 0.2% of its issued share capital, none of the Shareholders and their respective associates has any material interest in the Settlement Transactions. As such, no Shareholder would be required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Settlement Transactions.

As at 22 June 2022, being the date of announcement of the Company in respect of the Settlement Transactions, the Company has received written approval from each of JBB Jade and JBB Berlian, being a closely allied group of Shareholders, approving the Settlement Transactions. JBB Jade is one of the Controlling Shareholders holding 181,816,500 Shares (representing approximately 36.36% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Dato' Ng, an executive Director and chairman of the Board, who also beneficially owns 12,432,000 Shares. JBB Berlian is also one of the Controlling Shareholders of the Company holding 161,233,500 Shares (representing approximately 32.25% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Datin Ngooi, a non-executive Director and the spouse of Dato' Ng. Each of JBB Jade, JBB Berlian, Dato' Ng and Datin Ngooi is a party to the confirmatory deed dated 16 May 2018, pursuant to which the parties confirmed, among other things, that they are a group of Controlling Shareholders. In accordance with Rule 14.44(2) of the Listing Rules, the

LETTER FROM THE BOARD

written approval from JBB Jade and JBB Berlian may be accepted in lieu of holding a general meeting of the Shareholders. The Board resolved that no Shareholders' meeting will be convened by the Company to approve the Settlement Transactions.

9. RECOMMENDATION FROM THE BOARD

The Board is of the view that the Settlement Transactions and the terms and conditions therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the relevant ordinary resolution regarding the Settlement Transactions if the Company were to convene a general meeting for the approval of the Settlement Transactions.

The above statement is for Shareholders' reference only given that the Company has already obtained the written approval from JBB Jade and JBB Berlian for the Settlement Transactions and hence pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened to approve the Settlement Transactions.

10. GENERAL

Your attention is drawn to the information set out in the appendices to this circular, which contain (i) financial information of the Group; (ii) the valuation report of the Properties; and (iii) other information as required under the Listing Rules.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

The Payment Arrangement (including the transfer of the Contra Properties) under the Settlement Transactions is subject to the satisfaction of the conditions precedent and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By order of the Board
JBB BUILDERS INTERNATIONAL LIMITED
Dato' Ng Say Piyu
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 30 June 2019, 30 June 2020 and 30 June 2021, and the six months ended 31 December 2021, are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.jbb.com.my/>):

- (i) the annual report of the Company for the year ended 30 June 2019 dated 26 September 2019;
- (ii) the annual report of the Company for the year ended 30 June 2020 dated 22 September 2020;
- (iii) the annual report of the Company for the year ended 30 June 2021 dated 24 September 2021; and
- (iv) the interim report of the Company for the six months ended 31 December 2021 dated 25 February 2022.

2. STATEMENT OF INDEBTEDNESS

As at 31 May 2022, being the most recent practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding borrowings of approximately RM8.2 million.

Bank borrowings

As at 31 May 2022, the Group had secured bank loan of approximately RM8.2 million and an aggregate banking facilities of approximately RM67.0 million for loans and borrowings. All the banking facilities were secured and guaranteed by: (i) investment properties of approximately RM2.2 million as at 31 May 2022; (ii) deposits paid for acquisition of investment properties of approximately RM12.9 million as at 31 May 2022; and (iii) deposits with licensed banks of the Group with carrying amount of approximately RM10.2 million.

Lease liabilities

As at 31 May 2022, the Group had lease liabilities of approximately RM0.6 million.

Pledge of assets

As at 31 May 2022, pledge bank deposits of approximately RM10.2 million have been pledged to banks as security for banking facilities granted to the Group with approximately RM7.3 million relating to performance bond. Pledged bank deposits related to performance bond includes (i) minimum amount of deposits pledged to a bank for a facility line for performance bond; (ii) sinking fund (calculated at 6% of the progress payment from the particular contract related to the corresponding performance bond); and (iii) interest income of deposits pledged to bank.

Deposits paid for acquisition of investment properties with carrying amount of approximately RM12.9 million and investment properties with carrying amount of approximately RM2.2 million as at 31 May 2022 was pledged to a bank as security for bank facilities granted to the Group.

Contingent liabilities

As at 31 May 2022, the Group had contingent liabilities in respect of performance bonds for contracts in favour of customers of approximately RM6.4 million. The performance bonds were given by banks in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released based on the terms of the respective contracts for the relevant customers. The performance bonds were secured and guaranteed by (i) deposits with licensed banks of approximately RM7.3 million; and (ii) corporate guarantees given by the Company as at 31 May 2022.

Save as aforesaid, and apart from intra-group liabilities, as at 31 May 2022, being the most recent practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group did not have any other debt securities, any outstanding loan capital, any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the internal financial resources of the Group; (ii) cash flows from operations; (iii) the available banking facilities to the Group; and (iv) the effect of the Settlement Transactions, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The COVID-19 outbreak has affected the global economy and poses uncertainty on the future markets. The government of the operating jurisdictions has been continuously imposing different measures, policies, requirements and restrictions from time to time to reduce the impact of the spread of COVID-19 outbreak. These caused suspension of the Group's ongoing contracts and disruptions on the scheduled construction works, and delayed the commencement of the construction contracts secured previously in order to comply with the relevant requirements and other policies imposed by the government as a result of the COVID-19 Outbreak, all of which have exposed the Group to credit risks which may have an adverse impact on the financial performance of the Group.

With the effective control of the COVID-19 outbreak and recovery measures implemented by the government of the operating jurisdictions, in particular the gradual re-opening policies of Malaysia, the Group believes the economy will be improved progressively while remains conservative over the Group's business and financial performance in the near future as the industry remains competitive and the future markets remain uncertain. The Group will continue to closely monitor the development of the COVID-19 outbreak and uncertainties that are relevant to the Group.

Despite the uncertainties and challenges ahead, the Group will continuously monitor the market development to stay abreast of different business opportunities of the operating countries and optimising our business models and portfolios to solidify our market competitiveness to grow. In particular, the Group will continue to monitor its exposure to credit risks and take measures as appropriate. Since October 2021, the Group has commenced the trading business of marine gas oil which generated stable revenue to the Group and expects this trading business of marine gas oil can help expand the business opportunity along the marine transportation value chain. In addition, the Group expects the market on reclamation will gradually resume and the volume of sand required to be transported in Malaysia and Singapore will be increased. The Group therefore believes that marine transportation contracts would be the key revenue driver to the Group in the near future.

By entering into the Settlement Transactions, the Group shall (i) immediately cease to be exposed to part of the credit risk associated with the Outstanding Contract Sum by settling the Contra Properties Settlement Amount with the transfer of the Contra Properties; and (ii) cease to be exposed to the rest of the credit risk associated with the Outstanding Contract Sum with cash payment from Bukit Pelali in an orderly manner, which will improve the financial position of the Group in the future.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that to the best of the Directors' knowledge, there was no material adverse change in the financial or trading position of the Group since 30 June 2021 (being the date to which the latest published audited financial statements of the Company were made up) and up to the Latest Practicable Date.



Knight Frank Petty Limited
4/F, Shui On Centre
6–8 Harbour Road
Wanchai, Hong Kong

19 July 2022

The Board of Directors
JBB Builders International Limited,
Room 1222, 12/F
Soundwill Plaza II — Midtown,
Nos. 1–29 Tang Lung Street,
Causeway Bay, Hong Kong

Dear Sirs

Valuation of Twenty-Nine (29) Units of Serviced Apartment in Tower A and Tower B within the Astaka @ One Bukit Senyum; erected on Lot No. 208600, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim, Malaysia (the “Properties”)

In accordance with the instructions to us from JBB Builders International Limited (hereinafter referred to as the “Company”, together with its subsidiaries, hereinafter together referred to as the “Group”), to value the Properties, we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties in its existing state as at 19 April 2022 (the “Valuation Date”) for Settlement Transactions purposes and for reference by the Group, for inclusion in the shareholders’ circular of the Company in connection with the Settlement Transactions.

Our valuation is undertaken by qualified and independent valuers with relevant experiences. Our valuation is prepared in an unbiased and professional manner. We confirm our independence from the Group or any other parties related to the Settlement Transactions.

Basis of Valuation

In arriving at our opinion of the market value, we followed The HKIS Valuation Standards 2020 issued by The Hong Kong Institute of Surveyors (“HKIS”) and The RICS Valuation — Global Standards issued by the Royal Institution of Chartered Surveyors (“RICS”). Under the said standards, market value is defined as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

“the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.”

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in The HKIS Valuation Standards 2020 issued by HKIS and RICS *Valuation — Global Standards* issued by RICS and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

Our valuation is based on the interest in perpetuity of the Properties.

Valuation Methodology

In arriving at the market value of the Properties, we have adopted the market approach which considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect value. In general, the Properties are compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

Expertise

The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Mr. Cyrus Fong FRICS FHKIS RPS(GP) RICS Registered Valuer who has over 15 years of valuation experiences with the assistance of the local qualified valuers in Malaysia. We confirm that the valuer meets the requirements of the HKIS Valuation Standards and the RICS Valuation — Global Standards, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions:

Title Documents and Encumbrances

In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Properties are not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing. These assumptions are considered valid by the Company.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting a sale.

Sources of Information

In this report, we have been provided with information by the relevant stakeholder to this valuation, its advisors and other third parties. For the purposes of this valuation, we have relied on the information furnished to us by the Group which are all deemed to be correct, and our valuation is contingent on the information furnished and represented to us.

Although every effort has been made to verify the accuracy of such information supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so nor warranty of any kind, be it express or implied, is intended. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities. This report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

Inspection

The internal and external inspection of the Properties was undertaken on 19 April 2022 by a qualified valuer, Ms Tan Lih Ru Registered Valuer V-1108 and by Ms. Toh Sing Yee, Manager of Valuation & Advisory in Johor, Malaysia.

Identity of the Properties to be valued

We have exercised reasonable care and skill to ensure that the Properties, identified by the Properties address in your instructions, are the Properties inspected by us and contained within our valuation report.

Properties' Insurance

We have valued the Properties on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Site Areas and Boundary

We have not conducted any boundary checks; however, we assume that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement. In our valuations, we have relied upon areas stated on the certified plans provided to us. We have also assumed that the site areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only.

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Properties are free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Properties. Our valuation has therefore been undertaken on the assumption that the Properties was in satisfactory condition and contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Properties are sufficient to support the building constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed the Properties were constructed, occupied and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Properties upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, expected only where otherwise stated.

Limitations on Liability

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report of this valuation.

We have prepared the valuation based on information and data available to us as at the Valuation Date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the Valuation Date may affect the value of the Properties.

Currency

Unless otherwise stated, all money amounts stated in our valuations are in Malaysian Ringgit (“RM”).

Area Conversion

The area conversion factors in this report are taken as follows:

1 sq m = 10.76391 sq ft

We enclose herewith our valuation report.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Cyrus Fong
FHKIS FRICS RPS(GP) RICS
Registered Valuer
Senior Director, Valuation & Advisory

Jennifer Ip
MRICS RICS Registered Valuer
Senior Director, Valuation & Advisory

Note: Mr. Cyrus Fong is a qualified valuer who has over 15 years of extensive experiences in valuation of properties including development sites, residential, commercial, industrial properties in Malaysia and Hong Kong for various valuation purposes.

Ms. Jennifer Ip is a qualified valuer who has over 15 years of extensive experiences in valuation of properties in Asia Pacific and North America. Her experience principally covers multi-market valuation and analytics for listed and unlisted institutional clients to ensure a streamlined approach for their regional and global real estate portfolios.

SUMMARY OF VALUES

Group 1 Properties — Properties arranged for contra purpose

<u>No.</u>	<u>Property (Title/Address)</u>	<u>Market value in existing state as at 19 April 2022</u>
1.	Strata Title No. Geran 565807/M1A/25/73 A25-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,880,000
2.	Strata Title No. Geran 565807/M1A/37/117 A37-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,940,000
3.	Strata Title No. Geran 565807/M1B/10/247 B10-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,800,000
4.	Strata Title No. Geran 565807/M1B/22/294 B22-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,860,000
5.	Strata Title No. Geran 565807/M1B/24/302 B24-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,870,000
6.	Strata Title No. Geran 565807/M1B/30/325 B30-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,290,000
7.	Strata Title No. Geran 565807/M1B/31/330 B31-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,910,000
8.	Strata Title No. Geran 565807/M1B/32/334 B32-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,920,000

No.	Property (Title/Address)	Market value in existing state as at 19 April 2022
9.	Strata Title No. Geran 565807/M1B/32/332 B32-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,300,000
10.	Strata Title No. Geran 565807/M1B/33/338 B33-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,920,000
11.	Strata Title No. Geran 565807/M1B/33/336 B33-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,310,000
12.	Strata Title No. Geran 565807/M1B/35/341 B35-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,320,000
13.	Strata Title No. Geran 565807/M1B/36/345 B36-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,330,000
14.	Strata Title No. Geran 565807/M1B/40/361 B40-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,350,000
15.	Strata Title No. Geran 565807/M1B/41/365 B41-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,360,000
16.	Strata Title No. Geran 565807/M1B/41/364 B41-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,360,000

No.	Property (Title/Address)	Market value in existing state as at 19 April 2022
17.	Strata Title No. Geran 565807/M1B/44/376 B44-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,380,000
18.	Strata Title No. Geran 565807/M1B/47/391 B47-05, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,030,000
19.	Strata Title No. Geran 565807/M1B/51/407 B51-05, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,050,000
20.	Strata Title No. Geran 565807/M1B/53/414 B53-05, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,060,000
	Total market value of Group 1 Properties	RM42,240,000

Group 2 Properties — Properties arranged for escrow purpose

No.	Property (Title/Address)	Market value in existing state as at 19 April 2022
1.	Strata Title No. Geran 565807/M1A/10/15 A10-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,220,000
2.	Strata Title No. Geran 565807/M1A/10/16 A10-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,220,000
3.	Strata Title No. Geran 565807/M1A/11/19 A11-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,230,000
4.	Strata Title No. Geran 565807/M1A/11/20 A11-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,230,000
5.	Strata Title No. Geran 565807/M1A/12/24 A12-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,240,000
6.	Strata Title No. Geran 565807/M1A/13/27 A13-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,240,000
7.	Strata Title No. Geran 565807/M1A/13/28 A13-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,240,000
8.	Strata Title No. 565807/M1A/13/25 A13-05, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM1,840,000

No.	Property (Title/Address)	Market value in existing state as at 19 April 2022
9.	Strata Title No. Geran 565807/M1A/14/31 A14-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	RM2,250,000
	Total market value of Group 2 Properties	RM19,710,000
	Total market value of Group 1 Properties	RM42,240,000
	Total market value of Group 2 Properties	RM19,710,000
	Grand total market value of Groups 1 and 2 Properties	RM61,950,000

VALUATION

<u>Properties</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 19 April 2022</u>
Twenty-Nine (29) units of serviced apartment in Tower A and Tower B within the Astaka @ One Bukit Senyum; erected on Lot No. 208600, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim, Malaysia.	<p>The Properties are 29 units of serviced apartment located within Tower A and Tower B of The Astaka @ One Bukit Senyum in Johor Bahru, Johor, Malaysia.</p> <p>One Bukit Senyum (within which the Properties are located), is an on-going mixed development located at the fringe of the city of Johor Bahru.</p> <p>One Bukit Senyum is planned to be Johor Bahru's new central business district. Notable developments include Menara Majlis Bandaraya Johor Bahru ("MBJB"), the new office headquarters of the Johor Bahru City Council.</p> <p>The Astaka being the pioneer project in One Bukit Senyum comprises of two (2) blocks of serviced apartment with a total of 435 units. The luxury residential development was completed in 2018.</p> <p>The Properties are having interests in perpetuity.</p>	The Properties were vacant/unoccupied as at the Valuation Date.	RM 61,950,000 (Malaysian Ringgit Sixty One Million Nine Hundred and Fifty Thousand)

Notes:

- (1) Based on our site inspection on the selected units, we note that the specifications and finishes of the Properties are as follows:

Ceilings	:	Ceiling boards and cement plaster.
Wall Finishes	:	Cement plaster and wall tiles.
Floor Finishes	:	Marbles, porcelain tiles, homogeneous tiles and timber strips flooring.
Doors	:	Solid timber and aluminum framed incorporating glass panels.
Windows	:	Aluminium casements incorporating glass panels.
Other Improvements	:	Built-in kitchen cabinets and appliances Built-in wardrobes

- (2) The sanitary facilities of the Properties are modern and waterborne.
- (3) The subject blocks (Blocks A and B of the Astaka) and Properties are in good state of decorative repair.
- (4) The Properties are designated for commercial (serviced apartment) use as expressly stipulated in the respective strata title documents.
- (5) The Properties have obtained the Certificate of Completion and Compliance bearing Certificate No. 10336 dated 26 June 2018.
- (6) Public utilities and services such as mains water, public sewerage, electricity supply and telephone lines are connected to the Properties. Other essential public services for the area such as collection of refuse, repair and maintenance of roads and roadside drains and street lighting are provided by MBJB.
- (7) We understand from the Astaka Padu Sdn Bhd (“**the developer of The Astaka**”) that quit rent (land tax) of the entire The Astaka development is RM41,580.00 per annum and it has been apportioned into the monthly service charges of each serviced apartment units.

- (8) Strata title searches were made at the Pejabat Tanah dan Galian Johor on 20 April 2022. The following table outlines the title particulars of the Properties:

Summary of Title Particulars

Unit No.	Strata Title No.	Strata Floor Area (square metres)	Main Parcel Area* (square metres)	Share Unit	Accessory Parcel No.
Group 1 — Properties arranged for contra purpose					
A25-01	Geran 565807/ M1A/25/73	238	204	221/110,282	A541, A916 & A917
A37-01	Geran 565807/ M1A/37/117	233	204	219/110,282	A37, A1004 & A1005
B10-01	Geran 565807/ M1B/10/247	234	204	219/110,282	A768, A769, A1268 & A1269
B22-01	Geran 565807/ M1B/22/294	236	204	220/110,282	A473, A532, A1362 & A1363
B24-01	Geran 565807/ M1B/24/302	238	204	221/110,282	A542, A1378 & A1379
B30-02	Geran 565807/ M1B/30/325	284	250	267/110,282	A668, A670, A1424 & A1425
B31-01	Geran 565807/ M1B/31/330	234	204	219/110,282	A421, A422, A1434 & A1435
B32-01	Geran 565807/ M1B/32/334	234	204	219/110,282	A430, A431, A1442 & A1443
B32-03	Geran 565807/ M1B/32/332	284	250	267/110,282	A662, A664, A1438 & A1439
B33-01	Geran 565807/ M1B/33/338	234	204	219/110,282	A304, A305, A1450 & A1451
B33-03	Geran 565807/ M1B/33/336	284	250	267/110,282	A578, A581, A1446 & A1447
B35-02	Geran 565807/ M1B/35/341	284	250	267/110,282	A584, A587, A1456 & A1457
B36-02	Geran 565807/ M1B/36/345	284	250	267/110,282	A632, A634, A1464 & A1465
B40-02	Geran 565807/ M1B/40/361	284	250	267/110,282	A562, A565, A1496 & A1497
B41-02	Geran 565807/ M1B/41/365	284	250	267/110,282	A481, A485, A1504 & A1505

Summary of Title Particulars

Unit No.	Strata Title No.	Strata Floor Area (square metres)	Main Parcel Area* (square metres)	Share Unit	Accessory Parcel No.
B41-03	Geran 565807/ M1B/41/364	284	250	267/110,282	A480, A484, A1502 & A1503
B44-03	Geran 565807/ M1B/44/376	282	250	266/110,282	A548, A551, A1526 & A1527
B47-05	Geran 565807/ M1B/47/391	238	207	223/110,282	A427, A1556 & A1557
B51-05	Geran 565807/ M1B/51/407	239	207	223/110,282	A398, A404, A1588 & A1589
B53-05	Geran 565807/ M1B/53/414	238	207	223/110,282	A403, A1602 & A1603

Group 2 — Properties arranged for security purpose

A10-02	Geran 565807/ M1A/10/15	282	250	266/110,282	A102, A103, A800, A801
A10-03	Geran 565807/ M1A/10/16	282	250	266/110,282	A96, A97, A802 & A803
A11-02	Geran 565807/ M1A/11/19	282	250	266/110,282	A98, A99, A808 & A809
A11-03	Geran 565807/ M1A/11/20	282	250	266/110,282	A100, A101, A810 & A811
A12-03	Geran 565807/ M1A/12/24	282	250	266/110,282	A30, A31, A818 & A819
A13-02	Geran 565807/ M1A/13/27	282	250	266/110,282	A22, A23, A824 & A825
A13-03	Geran 565807/ M1A/13/28	282	250	266/110,282	A20, A21, A826 & A827
A13-05	Geran 565807/ M1A/13/25	239	207	223/110,282	A703, A704, A820 & A821
A14-02	Geran 565807/ M1A/14/31	282	250	266/110,282	A26, A27, A832 & A833

Note (*): As extracted from the certified plans of the respective Properties and adopted in our Valuation.

The following title particulars are common to the above titles unless otherwise stated:

Lot No.	:	Lot 208600.
Mukim/District/ State	:	Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.
Tenure	:	Interest in perpetuity.
Registered Proprietor	:	Astaka Padu Sdn Bhd.
Management	:	Perbadanan Pergurussan The Astaka.
Category of Land Use	:	Building.
Express Conditions	:	<ul style="list-style-type: none">i) This land shall be used for Multi-storey building for serviced apartments (recreation facilities/car parking area/M&E facilities), to be built in accordance to the plans approved by the relevant local authority.ii) All dirt and pollutants as a result of this activity are to be channelled/ disposed off to places which have been designated by the relevant local authority.iii) All rules and requirements which are imposed and enforced from time to time by the relevant local authority have to be complied with.
Restrictions-in- interest	:	<ul style="list-style-type: none">i) The land owner is not allowed to offer or to sell the building units (parcels) which will be built on this land unless the construction of the building has already been commenced in accordance to the plans approved by the relevant local authority.ii) Once the building unit(s) which built on this land has been transferred to a Bumiputera or Bumiputera Company, the unit(s) thereafter cannot be sold, charged or transferred by any other means to non-Bumiputera or non-Bumiputera Company without the prior consent of the State Authority.iii) The building unit(s) which built on this land cannot be sold or transferred by any means to a non-citizen/foreign company without the prior consent of the State Authority.
Encumbrance	:	Nil.
Endorsement	:	Nil.

(9) Under the market approach, the following comparable transactions were considered in our valuation:

Comparable	1	2	3
Address	Developer's Parcel No. 565807(A/21/03), The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Developer's Parcel No. 49507(A5/06/01), R&F Tanjung Puteri, Jalan Tanjung Puteri, 80300 Johor Bahru, Johor Darul Takzim	Developer's Parcel No. 565807(A/08/01), The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim
Property Type	A serviced apartment unit	A serviced apartment unit	A serviced apartment unit
Floor Area (sq m)	250.00	71.44	204.00
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Age of building	Approx. 4 years	Approx. 3.5 years	Approx. 4 years
Consideration	RM2,659,000	RM635,000	RM1,999,800
Date of Transaction	21 January 2022	11 May 2021	24 April 2019

Save for comparable 1, the transaction dates of the remaining comparables are more than 6 months from the date of valuation as there is a dearth of recently recorded transactions of similar properties within the immediate scheme. As such, we have resorted to use selected comparables in our analysis of the computation of Market Value. We have selected Comparable 1 and 3 due to both are located within the same development of the Properties and we have further adjusted the prevailing property market conditions for Comparable 3 for its transacted date before the Covid pandemic. Whilst we have also selected Comparable 2 from another development in view of the development is located near to the subject development viz. The Astaka has similarities in terms of development concepts.

In arriving at the Market Value of the Properties, we have made diligent adjustments between Comparables and one of the Properties (which was adopted as the base value unit) including location, floor area, floor level, type/orientation of the unit, facilities/services, quality/finishes and other factors. The total adjustments ranged between -15% and +10% and the adjusted value derived between RM844 and RM877 per square foot for the base value.

After considering the above comparables, we have further adjusted floor level, floor area and orientation/view of the Properties as compared to the base value unit to derive the respective market value of the Properties which fall within the range of RM820 to RM925 per square foot over the respective main parcel areas of the Properties.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(I) Interests of Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which was recorded by the Company in its register of directors' and chief executives' interests and short position pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

i. Long position in Shares

Name of Director	Capacity/Nature of interest	Total number of Shares/underlying Shares held	Approximate percentage of issued Share capital
Dato' Ng	Interest in a controlled corporation ⁽²⁾	181,816,500(L)	36.36%
	Interest of spouse ⁽³⁾	161,233,500(L)	32.25%
	Beneficial owner	12,432,000(L)	2.49%
	Interest held jointly with Datin Ngooi ⁽⁶⁾	355,482,000(L)	71.10%
Datin Ngooi	Interest in a controlled corporation ⁽⁴⁾	161,233,500(L)	32.25%
	Interest of spouse ⁽⁵⁾	194,248,500(L)	38.85%
	Interest held jointly with Dato' Ng ⁽⁶⁾	355,482,000(L)	71.10%
Mr. Lam Fung Eng	Beneficial owner	6,216,000(L)	1.24%
Mr. Ng Chong Boon	Beneficial owner	6,216,000(L)	1.24%

Note:

1. The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
2. Dato’ Ng beneficially owns 100% of the share capital of JBB Jade. By virtue of the SFO, Dato’ Ng is deemed to be interested in 181,816,500 Shares held by JBB Jade, representing approximately 36.36% of the entire issued share capital of the Company.
3. Dato’ Ng is the spouse of Datin Ngooi. Accordingly, Dato’ Ng is deemed, or taken to be, interested in all the Shares in which Datin Ngooi is interested for the purpose of the SFO.
4. Datin Ngooi beneficially owns 100% of the share capital of JBB Berlian. By virtue of the SFO, Datin Ngooi is deemed to be interested in 161,233,500 Shares held by JBB Berlian, representing approximately 32.25% of the entire issued share capital of the Company.
5. Datin Ngooi is the spouse of Dato’ Ng. Accordingly, Datin Ngooi is deemed, or taken to be, interested in all the Shares in which Dato’ Ng is interested for the purpose of the SFO.
6. Pursuant to the confirmatory deed dated 16 May 2018, Dato’ Ng and Datin Ngooi are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). As such, Dato’ Ng and Datin Ngooi will together control 71.10% of the entire issued share capital of the Company.

ii. Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of share(s) held	Percentage of shareholding in the associated corporation
Dato’ Ng	JBB Jade	Beneficial owner	1	100%
Datin Ngooi	JBB Berlian	Beneficial owner	1	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register of directors’ and chief executives’ interests and short positions pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(II) Interests of substantial shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) will have interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be directly or indirectly interested in 10% or more of the issued shares of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries:

Name of Shareholders	Capacity/Nature of interest	Total number of Shares/underlying Shares held	Approximate percentage of issued Share capital
JBB Jade	Beneficial owner	181,816,500(L) ^{(1) (2)}	36.36%
JBB Berlian	Beneficial owner	161,233,500(L) ^{(1) (3)}	32.25%

Note:

- The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
- The 181,816,500 Shares are held by JBB Jade, which is wholly owned by Dato’ Ng, the chairman of the Board and the executive Director. Dato’ Ng is the spouse of Datin Ngooi.
- The 161,233,500 Shares are held by JBB Berlian, which is wholly owned by Datin Ngooi, the non-executive Director. Datin Ngooi is the spouse of Dato’ Ng.

3. DISCLOSURE OF INTERESTS**(I) Interests in competing business**

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) had interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(II) Interests in asset acquired, disposed of or leased by, or to be acquired, disposed of or leased by the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect material interest in any asset which have been, since 30 June 2021 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(III) Interests in contracts and arrangements

There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other members of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two (2) years immediately preceding the date of this circular which are or may be material:

- (i) the supplementary agreements dated 29 June 2020 entered into between JBB Builders and Southern Diggers Enterprise Sdn. Bhd. ("**Southern Diggers**") in relation to the infrastructure works of phrase 1B in Pengerang, Kota Tinggi, Johor, Malaysia ("**Infrastructure Works Phrase 1B**"); and the infrastructure works of phrase 2A&2B in Pengerang, Kota Tinggi, Johor, Malaysia ("**Infrastructure Works Phrase 2A&2B**"), pursuant to the supplementary agreements, JBB Builders and Southern Diggers agreed to (a) extend the terms of the subcontract agreement and first supplementary agreement in relation to the service of Infrastructure Works Phrase 1B to 31 August 2020, and the terms of the subcontract agreement and first supplementary agreement in relation to the service of Infrastructure Works Phrase 2A&2B to 15 July 2020; and (b) revise the annual cap for the year ending 30 June 2021 in relation to the service of the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B;
- (ii) the supplementary agreement dated 29 June 2020 entered into between JBB Builders and Kimlun Sdn. Bhd. ("**Kimlun**") in relation to the main building works of phrase 2A&2B in Pengerang, Kota Tinggi, Johor, Malaysia ("**Main Building Works**"), pursuant to the supplementary agreement, JBB Builders and Kimlun agreed to (a) extend the terms of the subcontract agreement and first supplementary agreement in relation to the service of Main Building Works to 15 July 2020; and (b) revise the annual cap for the year ending 30 June 2021 in relation to the service of Main Building Works;
- (iii) the settlement documents each dated 10 September 2020 entered into between JBB Builders and Southern Diggers comprising (a) a deed of settlement; (b) three (3) deeds of novation cum assignment; and (c) three (3) sale and purchase agreements, pursuant to which, Southern Diggers agreed that the trade payables of approximately RM2.0 million are deemed to be received by the assignment of

all the right, title, benefit, interest and ownership of three (3) units of leasehold double storey terraced houses located in the area of Mukim of Pengerang, Kota Tinggi, Johor, Malaysia;

- (iv) the supplementary agreement dated 30 June 2021 entered into between JBB Builders and Southern Diggers in relation to the construction work of upgrading existing Kempas Interchange at North South Highway at Jalan Kempas Lama, Johor, Malaysia, pursuant to the supplementary agreement, JBB Builders and Southern Diggers agreed to (a) extend the terms of the subcontract agreement dated 1 August 2019 in relation to the service of the said construction work to 30 June 2022; and (b) revise the annual cap for the year ending 30 June 2022 in relation to the service of the said construction work;
- (v) the deed of settlement dated 14 September 2021 entered into among JBB Builders, Carimin Bina Sdn. Bhd. (“**Carimin Bina**”) and AJT Property Sdn. Bhd. (“**AJT Property**”), pursuant to which, Carimin Bina agreed that the trade payables of approximately RM1.1 million are deemed to be received by the assignment of all the right, title, benefit, interest and ownership of one (1) unit of three storey shop office located in the Mukim of Pantai Timur, Kota Tinggi, Johor, Malaysia, to AJT Property;
- (vi) the deed of settlement dated 21 January 2022 entered into between JBB Builders and Benzmark Inex Development Sdn. Bhd. (“**Benzmark Inex**”), pursuant to which Benzmark Inex agreed that the trade payables of approximately RM3.4 million are deemed to be received by assignment of all the right, title, benefit, interest and ownership of two (2) units of two storey cluster houses located in the Mukim of Tanjung Kupang District of Johor Bahru, State of Johor, Malaysia, to Benzmark Inex;
- (vii) the settlement documents each dated 17 March 2022 entered into between JBB Kimlun Sdn. Bhd. (“**JBB Kimlun**”) and Astaka Padu (and as the case may be, Bukit Pelali and Saling Syabas) comprising:
 - (a) an agreement supplemental to the letter of award dated 8 May 2017 (and the supplemental agreements thereto) issued by Astaka Padu to JBB Kimlun appointing JBB Kimlun as the main contractor to undertake a property development project for the construction of a 15-storey office complex building (MBJB) with 7-storey vehicle parking basements erected on PTD 233331, Jalan Lingkaran Dalam, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, Malaysia (the “**MBJB Tower Project**”), whereby JBB Kimlun and Astaka Padu agreed to settle trade receivables of approximately RM24.8 million by way of:
 - (1) transfer of four (4) residential service apartments located in Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia and seven (7) double storey terrace houses located in the Mukim of Pengerang, District of Kota Tinggi, State of Johor, Malaysia to set off trade receivables of approximately RM12.9 million;

- (2) cash payment with a total of approximately RM11.9 million in accordance with a monthly installment schedule; and
 - (3) accepting six (6) options which confers the right to acquire, by way of contra and set off, six (6) residential service apartments located in Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia;
- (b) a contra agreement in respect of the transfer by way of contra of four (4) residential service apartments located in Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia and seven (7) double storey terrace houses located in the Mukim of Pengerang, District of Kota Tinggi, State of Johor, Malaysia (the “**Contra Agreement**”); and
- (c) six (6) option instruments in respect of the granting of option (the “**Contra Option(s)**”) to JBB Kimlun to acquire, by way of contra and set off, six (6) residential service apartments located in Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia;
- (viii) an agreement dated 14 April 2022 entered into between JBB Kimlun and Kimlun supplemental to the sub-contractor letter of award dated 8 May 2017 issued by JBB Kimlun to Kimlun for the sub-contracting work of the MBB Tower Project, whereby JBB Kimlun and Kimlun agreed to settle trade payables of approximately RM24.5 million by way of (a) transfer of four (4) residential service apartments located in Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia and seven (7) double storey terrace houses located in the Mukim of Pengerang, District of Kota Tinggi, State of Johor, Malaysia in accordance with the Contra Agreement to set-off trade receivables of approximately RM12.9 million; (b) offering cash payment with a total of approximately RM11.6 million in accordance with a monthly installment schedule; and (c) granting Kimlun the right to nominate itself or its nominees as the recipient of the six (6) Contra Options; and
- (ix) the new subcontract agreement dated 22 June 2022 entered into between JBB Builders and Southern Diggers in relation to the remaining construction work of upgrading existing Kempas Interchange at North South Highway at Jalan Kempas Lama, Johor, Malaysia from July 2022 to September 2023.

6. CLAIMS AND LITIGATION

As at the Latest Practicable Date, no members of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any members of the Group.

7. EXPERT'S QUALIFICATION AND CONSENT

The followings are the qualification of the expert who has given opinions or advices which are contained in this circular:

Name	Qualification
Knight Frank Petty Limited	Independent Valuer

The expert named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), certificate(s) and/or opinion(s) (as the case may be) and the references to its name included herein in the form and context in which it is respectively included.

The expert named above confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have been, since 30 June 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the Stock Exchange's website and the Company's website for a period of fourteen (14) days from the date of this circular (both days inclusive):

- (i) the Master Supplemental Agreement;
- (ii) the properties valuation report prepared by the Independent Valuer, the text of which is set out in Appendix II to this circular; and
- (iii) the written consent referred to in the paragraph headed "*7. EXPERT'S QUALIFICATION AND CONSENT*".

9. GENERAL

- (a) The company secretary of the Company is Ms. Lam Lam, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and a financial risk manager of the Global Association of Risk Professionals.
- (b) The registered office of the Company is situate at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (c) The Company's principal place of business and headquarters in Malaysia is situate at No. 20-01, Jalan Sri Perkasa 2/18, Taman Tampoi Utama, 81200 Johor Bahru, Malaysia. The Company's principal place of business in Hong Kong is Room 1222, 12/F, Soundwill Plaza II — Midtown, 1-29 Tang Lung Street, Causeway Bay, Hong Kong.
- (d) The Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) In case of inconsistencies, the English texts of this circular shall prevail over the Chinese texts.