JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

RESULTS HIGHLIGHTS

	For the six months ended 31 December		
	2020	2019	(Decrease)
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(unaudited)	
Revenue	**34,553**	91,308	(56,755)
Gross (loss)/profit	**(280)**	14,571	(14,851)
Gross (loss)/profit margin	**(0.8%)**	16.0%	(16.8%)
(Loss)/profit for the period attributable to owners of the Company	**(2,775)**	4,225	(7,000)
Basic and diluted (loss)/earnings per Share *(Sen)*	**(0.56)**	0.85	(1.41)

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of JBB Builders International Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 31 December 2020 together with the comparative figures for the six months ended 31 December 2019. All amounts set out in this announcement are expressed in Ringgit Malaysia ("**RM**") unless otherwise indicated.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

		For the six months ended 31 December	
		2020	2019
	Notes	***RM'000***	*RM'000*
		(unaudited)	(unaudited)
Revenue	*4*	**34,553**	91,308
Direct costs		**(34,833)**	(76,737)
Gross (loss)/profit		**(280)**	14,571
Other revenue	*5*	**622**	1,224
Other net income	*5*	**2,022**	179
Allowance for impairment loss on trade receivables and contract assets	*6(c)*	**(466)**	(2,226)
General and administrative expenses		**(5,673)**	(8,374)
(Loss)/profit from operations		**(3,775)**	5,374
Share of loss of a joint venture		**(29)**	(9)
Finance costs	*6(a)*	**(14)**	(79)
(Loss)/profit before taxation	*6*	**(3,818)**	5,286
Income tax credit/(expenses)	*7*	**177**	(2,105)
(Loss)/profit for the period		**(3,641)**	3,181
Other comprehensive (loss) for the period			
Items that will not be reclassified to profit or loss:			
Currency translation differences		**(4,034)**	(384)
Total comprehensive (loss)/income for the period		**(7,675)**	2,797
(Loss)/profit for the period attributable to:			
Owners of the Company		**(2,775)**	4,225
Non-controlling interests		**(866)**	(1,044)
		(3,641)	3,181
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(6,809)**	3,841
Non-controlling interests		**(866)**	(1,044)
		(7,675)	2,797
(Loss)/earnings per share *(Sen per share)*	*9*		
— Basic		**(0.56)**	0.85
— Diluted		**(0.56)**	0.85

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	**31 December 2020 RM'000 (unaudited)**	30 June 2020 RM'000 (audited)	1 July 2019 RM'000 (unaudited)
Non-current assets				
Property, plant and equipment	*10*	**3,171**	4,677	9,068
Investment properties	*10*	**2,200**	2,710	3,300
Interest in a joint venture		**269**	298	335
Deposits paid for acquisition of investment properties	*11(a)*	**19,710**	22,095	—
Deposits paid for acquisition of property, plant and equipment		**183**	101	—
Deposit placed for a life insurance policy	*11(b)*	**298**	287	—
Deferred tax assets		**1,596**	1,276	318
		27,427	31,444	13,021
Current assets				
Trade and other receivables	*12*	**84,530**	84,704	105,440
Contract assets	*13(a)*	**33,093**	42,037	102,282
Tax recoverable		**2,252**	2,037	2,528
Financial assets at fair value through profit or loss ("**FVTPL**")	*14*	**1,084**	—	—
Fixed deposits with maturity over three months		**5,203**	5,000	—
Pledged bank deposits		**9,664**	9,178	5,593
Cash and cash equivalents		**70,808**	75,968	114,638
		206,634	218,924	330,481
Current liabilities				
Trade and other payables	*15*	**102,181**	111,835	199,628
Contract liabilities	*13(b)*	**2,804**	1,282	89
Bank loan	*16*	**—**	—	501
Lease liabilities		**201**	548	1,191
Provision for taxation		**9**	—	2,174
		105,195	113,665	203,583
Net currents assets		**101,439**	105,259	126,898
Total assets less current liabilities		**128,866**	136,703	139,919
Non-current liabilities				
Lease liabilities		**583**	745	1,155
Deferred tax liabilities		**—**	—	626
		583	745	1,781
Net assets		**128,283**	135,958	138,138
Capital and reserves				
Share capital	*17*	**2,672**	2,672	2,672
Reserves		**116,113**	122,922	123,264
Total equity attributable to equity owners of the Company		**118,785**	125,594	125,936
Non-controlling interests		**9,498**	10,364	12,202
		128,283	135,958	138,138

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liabilities on 30 April 2018 under the Companies Law (Cap. 22) (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered address is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 1222, 12/F, Soundwill Plaza II — Midtown, 1–29 Tang Lung Street, Causeway Bay, Hong Kong.

The ordinary shares of the Company (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 May 2019 (the "**Listing**").

The Company is an investment holding company and the Company's subsidiaries are principally engaged in the provision of marine construction services and building and infrastructure services. As at 31 December 2020, the Company is ultimately controlled by Dato' Ng Say Piyu and Datin Ngooi Leng Swee (the "**Controlling Shareholders**"), who have entered into a concert party deed on 16 May 2018.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interest in a joint venture.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020.

The functional currency of the Company is Hong Kong dollars ("**HK$**") and the condensed consolidated financial statements are presented in Malaysian Ringgit ("**RM**"), rounded to the nearest thousand, unless otherwise stated, as the Group's principal activities were carried out in Malaysia.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except that the investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest, and financial assets at FVTPL are stated at their fair value.

The deposit placed for a life insurance policy is carried at the cash surrender value of the policy.

In previous financial period, Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") were applied in the condensed consolidated financial statements. During the current financial period, the Group has applied, for the first time, the International Financial Reporting Standards ("**IFRSs**"), in accordance with IFRS 1 "First-time adoption of International Financial Reporting Standards" with a date of transition to IFRSs on 1 July 2019. IFRSs are virtually identical to HKFRSs. The first-time adoption of IFRSs in the current financial period financial statements did not result in material impact on the Group's financial performance and financial position for prior period set out in these financial statements prepared under HKFRSs issued by the HKICPA as of the date of transition and for the period ended 31 December 2019.

Other than changes in accounting policies resulting from the application of new and amendments to IFRSs, the accounting policies and methods computation used in the condensed consolidated financial statements for the six months ended 31 December 2020 are the same as those presented in the preparation of the Group's annual financial statements for the year ended 30 June 2020.

Amendments to IFRSs that are mandatorily effective for the current period

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 July 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 16	COVID-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the provision of marine construction services and buildings and infrastructure services.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

Revenue from contracts with customers within the scope of IFRS 15

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Construction contracts		
— Reclamation and related works	**1,486**	9,093
— Building and infrastructure	**16,018**	55,219
	17,504	64,312
Marine transportation	**17,049**	26,996
	34,553	91,308

Revenue from construction contracts is recognised over time and revenue from marine transportation is recognised at a point in time.

(b) Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purpose of allocating resources to segments and assessing their performance.

For management purpose, the Group is organised into business units based on their products and services and has three reportable segments as follows:

Marine construction services

— Reclamation and related works, which includes land reclamation and other marine civil works and may involve soil and site investigation, land and hydrographic survey, pre-reclamation design, sand handling/filling, ground treatment and sand surcharge and removal work.

— Marine transportation, which involves transportation of marine sand including the extraction of marine sand from the approved sand source onto sand carriage and delivery of marine sand to designated sites where the marine sand is unloaded to be used for land reclamation.

Building and infrastructure services

— General building work in construction of properties and infrastructure work.

Segment (loss)/profit represents the (loss)/profit earned by each segment without allocation of central administrative and corporate expenses, unallocated other revenue, finance costs and share of loss of a joint venture. This is the measure reported to the CODM, for the purposes of resources allocation and performance assessment. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resources allocation and performance assessment.

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 31 December 2020

	Marine construction			
	Reclamation and related works *RM'000* (unaudited)	**Marine transportation** *RM'000* (unaudited)	**Building and infrastructure** *RM'000* (unaudited)	**Total** *RM'000* (unaudited)
Reportable segment revenue	**1,486**	**17,049**	**16,018**	**34,553**
Reportable segment (loss)/profit	**(1,696)**	**229**	**1,245**	**(222)**
Unallocated central administrative and corporate expenses:				
— General and administrative expenses				**(5,096)**
Unallocated other revenue				**1,543**
Finance costs				**(14)**
Share of loss of a joint venture				**(29)**
Loss before taxation				**(3,818)**
Other segment information				
Depreciation	**1,320**	**—**	**—**	**1,320**
(Reversal)/allowance for impairment loss on trade receivables and contract assets	**(9)**	**309**	**166**	**466**
(Gain) on disposal of deposits paid for acquisition of investment properties	**—**	**—**	**(1,095)**	**(1,095)**

For the six months ended 31 December 2019

	Marine construction				
	Reclamation and related works *RM'000* (unaudited)	Marine transportation *RM'000* (unaudited)	Building and infrastructure *RM'000* (unaudited)	Elimination of inter-segment revenue *RM'000* (unaudited)	Total *RM'000* (unaudited)
Revenue					
Revenue from external customers	9,093	26,996	55,219	—	91,308
Inter-segment revenue	5,728	—	—	(5,728)	—
Reportable segment revenue	14,821	26,996	55,219	(5,728)	91,308
Reportable segment (loss)/profit	(1,664)	4,905	8,762	—	12,003
Unallocated central administrative and corporate expenses:					
— General and administrative expenses					(7,872)
Unallocated other revenue					1,243
Finance costs					(79)
Share of loss of a joint venture					(9)
Profit before taxation					5,286
Other segment information					
Depreciation	2,201	4	—	—	2,205
Allowance for impairment loss on trade receivables and contract assets	30	63	2,133	—	2,226
(Gain) on disposal of property, plant and equipment	—	(46)	—	—	(46)
Write off of property, plant and equipment	—	12	—	—	12

Geographical information

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	For the six months ended 31 December	
	2020 ***RM'000*** **(unaudited)**	2019 *RM'000* (unaudited)
Malaysia (place of domicile)	**20,989**	91,308
Singapore	**13,564**	—
	34,553	91,308

5. OTHER REVENUE AND OTHER NET INCOME

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Other revenue		
Interest income on financial assets measured at amortised cost	**588**	1,209
Handling service fee on provision of diesel	**6**	15
Others	**28**	—
	622	1,224
Other net income		
Fair value loss on financial assets at FVTPL	**(16)**	—
Fair value loss on investment properties	**(510)**	—
Gain on deposit placed for a life insurance policy	**11**	—
Gain on disposal of deposits paid for acquisition of investment properties	**1,095**	—
Gain on disposal of property, plant and equipment	**—**	46
Net foreign exchange gain	**1,442**	145
Write off of property, plant and equipment	**—**	(12)
	2,022	179

6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Interest on bank loan	**—**	18
Finance charge on lease liabilities	**14**	61
Total interest expenses on financial liabilities not at fair value through profit or loss	**14**	79

(b) Staff costs (including Directors' emoluments)

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Directors' emoluments	**829**	1,100
Other staff costs		
Salaries, wages and other benefits	**2,675**	4,149
Contributions to defined contribution retirement plan	**267**	343
	3,771	5,592
Less: Amount included in direct costs	**(258)**	(1,008)
	3,513	4,584

(c) Other items

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Depreciation charge	**1,525**	2,465
Less: Amount included in direct costs	**(1,244)**	(2,084)
	281	381
Short-term lease expenses	**214**	1,084
Less: Amount included in direct costs	**(145)**	(931)
	69	153
Allowance for impairment loss on trade receivables and contract assets	**466**	2,226
Auditors' remuneration	**180**	384
Fair value loss on financial assets at FVTPL	**16**	—
Fair value loss on investment properties	**510**	—
(Gain) on deposit placed for a life insurance policy	**(11)**	—
(Gain) on disposal of deposits paid for acquisition of investment properties	**(1,095)**	—
(Gain) on disposal of property, plant and equipment	**—**	(46)
Net foreign exchange (gain)	**(1,442)**	(145)
Write off of property, plant and equipment	**—**	12

7. INCOME TAX (CREDIT)/EXPENSES

	For the six months ended 31 December	
	2020	2019
	RM'000	*RM'000*
	(unaudited)	(unaudited)
Current tax		
Malaysia corporate income tax	**5**	3,086
Singapore corporate income tax	**9**	—
Withholding tax on payment made to non-resident in Malaysia	**130**	—
	144	3,086
Deferred tax		
Origination and reversal of temporary differences	**(321)**	(981)
Income tax (credit)/expenses for the period	**(177)**	2,105

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the six months ended 31 December 2020 and 2019.

(iii) Corporate income tax in Malaysia is calculated at the statutory rate of 24% of the estimated taxable profit for the six months ended 31 December 2020 and 2019.

(iv) Corporate income tax in Singapore is calculated at the statutory rate of 17% of the estimated taxable profit for the six months ended 31 December 2020. For the year of assessment of 2021 in Singapore, 75% of the chargeable income of first Singapore dollars ("**SGD**") 100,000 and 50% of the chargeable income of next SGD100,000 are exempted as the Group's Singapore subsidiary is a newly incorporated company.

(v) Withholding tax on payment made to non-resident in Malaysia is calculated at the statutory rate of 15% of the payment made for the six months ended 31 December 2020.

8. DIVIDENDS

During the six months ended 31 December 2020, no final dividend in respect of the year ended 30 June 2020 (six months ended 31 December 2019: a final dividend of HK$0.02 per share amounting to HK$10,000,000 in respect of the year ended 30 June 2019) was declared and paid to the owners of the Company.

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2020 (six months ended 31 December 2019: nil).

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the consolidated loss attributable to owners of the Company of approximately RM2,775,000 (six months ended 31 December 2019: profit attributable to owners of the Company of approximately RM4,225,000) and the weighted average of 500,000,000 ordinary shares (six months ended 31 December 2019: 500,000,000 ordinary shares) in issue during the period.

(b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential shares in existence during the six months ended 31 December 2020 and 2019.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment

During the six months ended 31 December 2020, the Group paid approximately RM19,000 (six months ended 31 December 2019: RM17,000) for the acquisition of property, plant and equipment.

During the six months ended 31 December 2020, the Group did not dispose and write off any property, plant and equipment.

During the six months ended 31 December 2019, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RM11,000 for cash proceeds of approximately RM57,000, resulting in a gain on disposal of approximately RM46,000, and the Group has written off property, plant and equipment with carrying amount of approximately RM12,000.

Investment properties

The valuation of the Group's investment properties as at 31 December 2020 were carried out by an independent firm, C H Williams Talhar & Wong Sdn. Bhd. (31 December 2019: KGV International Property Consultant (Johor) Sdn. Bhd.), who have among their valuers registered with The Board of Valuers, Appraisers and Estate Agents, Property Manager, Malaysia (31 December 2019: The Board of Valuers, Appraisers and Estate Agents, Malaysia), with recent experience in the location and category of property being valued. The fair value of investment properties located in Malaysia is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available. All of the fair value measurements of the Group's investment properties were categorised as level 2 of the fair value hierarchy. There were no transfers into or out of level 2 during the six months ended 31 December 2020 (six months ended 31 December 2019: nil). Fair value loss of investment properties of approximately RM510,000 was recognised directly in profit or loss for the six months ended 31 December 2020 (six months ended 31 December 2019: nil).

As at 31 December 2020, all investment properties have been pledged to a bank as security for a bank facility granted to the Group (30 June 2020: nil and 1 July 2019: all).

Right-of-use assets

During the six months ended 31 December 2020, the Group did not enter into other new lease agreements for the use of assets for more than 1 year (six months ended 31 December 2019: nil).

11. DEPOSITS

(a) Deposits paid for acquisition of investment properties

During the six months ended 31 December 2020, the Group entered into deeds of settlement with 4 subcontractors (collectively called the "**Subcontractors**"), pursuant to which trade payables due to the Subcontractors by the Group with total amount of approximately RM6,845,000 are deemed to be settled by the assignment of 10 properties beneficially owned by the Group under a deed of settlement dated 19 February 2020 (please refer to the announcement dated 19 February 2020 for details) and recognised as a gain on disposal of approximately RM1,095,000. The carrying amount of the deposits paid for the abovementioned properties amounted to approximately RM5,750,000 were derecognised as at 31 December 2020 (six months ended 31 December 2019: nil).

During the six months ended 31 December 2020, the Group entered into a deed of settlement with a customer (the "**Customer**"), an independent third party to the Group, pursuant to which trade receivables owing from the Customer to the Group with total amount of approximately RM3,305,000 are deemed to be received by assignment of 2 properties beneficially owned by the Customer together with payment of deposits of RM60,000 (six months ended 31 December 2019: nil). Due to the fact that the said properties were being developed, the legal titles of the properties had not been transferred to the Group as at 31 December 2020. Accordingly, deposits paid for acquisition of investment properties of approximately RM3,365,000 were recognised.

As at 31 December 2020, the amount represents the consideration paid for the acquisition of 32 investment properties being developed in Malaysia (30 June 2020: 40 and 1 July 2019: nil). As the legal titles in respect of those investment properties had not been vested in the Group as of 31 December 2020, the payments made were accounted as deposits paid.

	RM'000
At 1 July 2019 (unaudited) and 31 December 2019 (unaudited)	—
Additions	22,095
At 30 June 2020 (audited)	22,095
Additions	3,365
Disposals	(5,750)
At 31 December 2020 (unaudited)	19,710

As at 31 December 2020, deposits paid for acquisition of investment properties of approximately RM12,911,000 have been pledged to a bank as security for a bank facility granted to the Group (30 June 2020: nil and 1 July 2019: nil).

(b) Deposit placed for a life insurance policy

During the year ended 30 June 2020, a life insurance policy (the "**Policy 2020**") was taken to insure an executive director of the Company (the "**Insured Person**"). Under the Policy 2020, the beneficiary is a bank (the "**Bank**") and the total insured sum is approximately RM1,610,000. At the inception of the Policy 2020, the Group paid an upfront payment of approximately RM401,000. For any insured events happened to the Insured Person, the insured sum will first be used to settle the outstanding bank loan of the Group from the Bank, and thereafter any excess portion will be payable to the Group. The Policy 2020 can be withdrawn at any time with surrender charges if such withdrawal occurs before the 10th anniversary from date of inception and a cash refund will be received based on the cash surrender value of the Policy 2020 at the date of withdrawal.

As at 31 December 2020, the directors of the Company expect that the Policy 2020 will be terminated at the 10th anniversary from the date of inception and there will be no specific surrender charges in accordance with the terms of the Policy 2020. The directors of the Company consider that the expected life of the Policy 2020 will remain unchanged from the initial recognition.

In the event of death of the Insured Person, the deposits will be derecognised and any resulting gains or losses will be recognised in profit or loss.

12. TRADE AND OTHER RECEIVABLES

	31 December 2020 *RM'000* **(unaudited)**	30 June 2020 *RM'000* (audited)	1 July 2019 *RM'000* (unaudited)
Trade receivables	**81,259**	78,305	92,771
Less: allowance for doubtful debts	**(4,859)**	(4,388)	(1,323)
	76,400	73,917	91,448
Deposits, prepayments and other receivables	**8,130**	10,787	13,992
	84,530	84,704	105,440

Aging analysis of trade receivables

As at the end of each reporting period, the aging analysis of trade receivables based on the invoice date and net of loss allowance, is as follows:

	31 December 2020 *RM'000* **(unaudited)**	30 June 2020 *RM'000* (audited)	1 July 2019 *RM'000* (unaudited)
Within 30 days	**12,213**	8,575	23,447
31 to 60 days	**819**	510	22,239
61 to 90 days	**2,737**	3,170	4,378
Over 90 days	**60,631**	61,662	41,384
	76,400	73,917	91,448

Trade receivables are generally due within 14 to 30 days from the date of invoice.

13. CONSTRUCTION CONTRACTS

(a) Contract assets

The Group's contract assets are analysed as follows:

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Contract assets			
Arising from performance under construction contracts	**9,737**	19,414	46,753
Retention receivables	**23,356**	22,623	55,529
	33,093	42,037	102,282
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" *(Note 12)*	**76,400**	73,917	91,448

As at 31 December 2020, the amounts of approximately RM6,873,000 (30 June 2020: RM10,050,000 and 1 July 2019: RM8,401,000) included in the contract assets are expected to be recovered after more than one year, all of which related to retention receivables.

(b) Contract liabilities

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Contract liabilities			
Construction contracts			
— Billings in advance of performance	**2,804**	1,282	89

14. FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL represented the Group's investments in an open-end unit trust established in Malaysia. There is no fixed maturity period and the fair value of the investments as at 31 December 2020 was determined with reference to the quoted bid prices in active markets at the end of the reporting period. The fair value measurements of financial assets at FVTPL are categorised as level 1 of the fair value hierarchy.

Changes in fair value of financial assets at FVTPL are recognised in other net income in the condensed consolidated statement of profit or loss and other comprehensive income.

15. TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Trade payables	**84,798**	91,994	178,544
Other payables and accruals	**1,044**	1,196	3,111
Retention payables	**16,339**	18,645	17,973
	102,181	111,835	199,628

Note: Except for the amounts of approximately RM5,605,000 (30 June 2020: RM10,116,000 and 1 July 2019: RM7,994,000) included in the retention payables as at 31 December 2020 which are expected to be settled after one year, all of the trade and other payables are expected to be settled within one year or are repayable on demand.

Aging analysis of trade payables

As at the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Within 30 days	**17,533**	17,925	59,892
31 to 90 days	**4,082**	1,142	11,766
Over 90 days	**63,183**	72,927	106,886
	84,798	91,994	178,544

16. BANK LOAN

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Bank loan, secured, repayable within one year or on demand	**—**	—	501

17. SHARE CAPITAL

Authorised ordinary shares of HK$0.01 each:

	No. of shares	Amount
		RM'000
At 1 July 2019 (unaudited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	2,000,000,000	10,535

Issued and fully paid ordinary shares of HK$0.01 each:

	No. of shares	Amount
		RM'000
At 1 July 2019 (unaudited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	500,000,000	2,672

18. CAPITAL COMMITMENTS

At the end of each reporting period, capital expenditures contracted for at the end of each reporting period but not provided for are as follows:

	31 December 2020	30 June 2020	1 July 2019
	RM'000	*RM'000*	*RM'000*
	(unaudited)	(audited)	(unaudited)
Equipment	**187**	269	—

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established engineering contractor based in Malaysia. The business is divided into two major types of services:

— Marine construction services — core business, which can be categorised into:

(a) reclamation and related works, which include land reclamation and other marine civil works. Reclamation may involve soil investigation, hydrographic survey, pre-reclamation design, sand handling/filling, ground treatment, sand surcharge removal work and other related works. Marine civil works generally include construction of jetty, channel-crossing works, maintenance dredging and river diversion; and

(b) marine transportation, which involves transportation of marine sand, the filling material normally used in land reclamation, including the loading of marine sand extracted from the approved sand source onto sand carriers, carriage and delivery of marine sand to designated sites where the marine sand is unloaded to be used for land reclamation.

— Building and infrastructure services — the services include general building works in construction of properties and infrastructure works.

During the six months ended 31 December 2020, the Group had completed a marine construction contract, which is a reclamation and related works contract with original contract sum of approximately RM0.9 million, and a total of 5 building and infrastructure contracts with original contract sum in aggregate of approximately RM138.3 million. The Group and the customer mutually terminated a marine construction contract in respect of reclamation and related works with original contract sum of approximately RM42.3 million given the uncertainty in economic condition in Malaysia as affected by the outbreak of coronavirus COVID-19 pandemic (the "**COVID-19 Outbreak**").

As at 31 December 2020, the Group had 5 ongoing marine construction contracts comprising 2 reclamation and related works contracts, 3 marine transportation contracts and 1 reclamation and related works and marine transportation contract with original contract sum in aggregate of approximately RM758.5 million (including estimated original contract sum of a contract which stated at unit rate), and 4 ongoing building and infrastructure contracts with original contract sum in aggregate of approximately RM262.1 million.

As at 30 June 2020, there were a total of 9 tenders and 4 quotations with expected contract sum in aggregate of approximately RM875.5 million submitted but not yet have results. During the six months ended 31 December 2020, the Group had submitted 2 tenders and 5 quotations for marine construction contracts and 5 tenders and 2 quotations for building and infrastructure contracts with original contract sum in aggregate of approximately RM858.1 million, and the Group had been awarded 3 contracts with original contract sum in aggregate of approximately RM1.0 million. As at 31 December 2020, there were 6 tenders and 4 quotations with expected contract sum in aggregate of approximately RM724.6 million submitted but still no results returned.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately RM56.7 million or 62.1% from approximately RM91.3 million for the six months ended 31 December 2019 to approximately RM34.6 million for the six months ended 31 December 2020. The substantial decline in revenue is mainly attributable to (i) the reduction in volume of work for marine construction services and building and infrastructure services following the completion of certain key contracts which contributed to a substantial portion of the revenue for the six months ended 31 December 2019; and (ii) the suspension of the Group's ongoing contracts, postponement of the scheduled construction works and further delay in the commencement of new contracts secured in earlier periods due to the long lasting COVID-19 Outbreak and the enforcement of the conditional Restriction of Movement Order (the "**Order**") by Malaysia government (please refer to announcement dated 22 May 2020 for details).

Marine construction services

Revenue from marine construction services represented approximately 53.6% of the total revenue for the six months ended 31 December 2020. It decreased by approximately RM17.6 million or 48.8% from approximately RM36.1 million for the six months ended 31 December 2019 to approximately RM18.5 million for the six months ended 31 December 2020.

Revenue from reclamation and related works, which represented approximately 8.0% of the total revenue from marine construction services for the six months ended 31 December 2020, decreased by approximately RM7.6 million or 83.5% from approximately RM9.1 million for the six months ended 31 December 2019 to approximately RM1.5 million for the six months ended 31 December 2020. Such decrease was mainly due to (i) suspension of the commencement of a new marine construction contract due to the COVID-19 Outbreak and the enforcement of the Order; and (ii) the reduction in volume of work following the completion of certain key contracts.

Revenue from marine transportation, which represented approximately 92.0% of the total revenue from marine construction services for the six months ended 31 December 2020, decreased by approximately RM10.0 million or 37.0% from approximately RM27.0 million for the six months ended 31 December 2019 to approximately RM17.0 million for the six months ended 31 December 2020. Such decrease was mainly due to (i) the slowdown of the scheduled construction works due to less vessels available for transportation because of the COVID-19 Outbreak and the enforcement of the Order; and (ii) the reduction in volume of sand transported following the completion of certain key contracts.

Building and infrastructure services

Revenue from building and infrastructure services represented approximately 46.4% of the total revenue for the six months ended 31 December 2020. Revenue from building and infrastructure services decreased by approximately RM39.2 million or 71.0% from approximately RM55.2 million for the six months ended 31 December 2019 to approximately RM16.0 million for the six months ended 31 December 2020. Such decrease was mainly due to the completion of certain contracts during the six months ended 31 December 2020 with significant revenue generated for the six months ended 31 December 2019. In addition, the postponement of the scheduled construction works of remaining ongoing contracts due to the COVID-19 Outbreak and the enforcement of the Order led to further reduction of revenue generated for the six months ended 31 December 2020.

Gross (loss)/profit and gross (loss)/profit margin

Gross loss of approximately RM0.3 million was recorded for the six months ended 31 December 2020 as compared with gross profit of approximately RM14.6 million for the six months ended 31 December 2019. The overall gross profit margin decreased from approximately 16.0% for the six months ended 31 December 2019 to gross loss margin of approximately 0.8% for the six months ended 31 December 2020.

Gross loss was recorded mainly due to (i) decline in revenue resulting from the postponement of the scheduled construction works by COVID-19 Outbreak while fixed direct cost was continuously incurred; (ii) certain contracts with lower gross profit margin were undertaken as a result of increased competition in the market compared with those completed in previous years; (iii) increase in subcontracting costs; and (iv) certain contracts with higher gross profit margin were completed during the six months ended 31 December 2019.

Other revenue

The other revenue decreased from approximately RM1.2 million for the six months ended 31 December 2019 to approximately RM0.6 million for the six months ended 31 December 2020, which was mainly due to the decrease in interest income on deposits placed in the Group's banks in Hong Kong and Malaysia during the six months ended 31 December 2020 as a result of the decrease in bank interest rates.

Other net income

Other net income increased from approximately RM0.2 million for the six months ended 31 December 2019 to approximately RM2.0 million for the six months ended 31 December 2020. Such increase is mainly due to the recognition of gain on disposal of deposits paid for acquisition of investment properties of approximately RM1.1 million arising from the assignment of 10 investment properties beneficially owned by the Group under a deed of settlement dated 19 February 2020 (please refer to the announcement dated 19 February 2020 for details) to Subcontractors; and recognition of the foreign exchange gain of approximately RM1.4 million arising from the translation of foreign currency denominated balances into Malaysia Ringgit, offset by the fair value loss on investment properties of approximately RM0.5 million.

Allowance for impairment loss on trade receivables and contract assets

There was impairment loss on trade receivables and contract assets. Due to the slowdown of the collection of receivables from our customers, impairment loss of approximately RM0.5 million was recognised for the six months ended 31 December 2020 while impairment loss of approximately RM2.2 million was recognised for the six months ended 31 December 2019.

General and administrative expenses

General and administrative expenses decreased by approximately RM2.7 million or 32.1% from approximately RM8.4 million for the six months ended 31 December 2019 to approximately RM5.7 million for the six months ended 31 December 2020. Such decrease was mainly due to the decrement of staff costs arising from the reduction of Directors' emoluments and reduced number of employees together with tighten cost control procedures adopted by the Group.

Income tax (credit)/expenses

Income tax credit of approximately RM0.2 million was recorded for the six months ended 31 December 2020 as compared with income tax expenses of approximately RM2.1 million for the six months ended 31 December 2019. Such change was attributable to the loss generated by the Group for the six months ended 31 December 2020.

Finance costs

Finance costs decreased from approximately RM79,000 for the six months ended 31 December 2019 to approximately RM14,000 for the six months ended 31 December 2020 due to reduction of lease liabilities.

(Loss)/profit for the period attributable to owners of the Company

The Group reported profit attributable to owners of the Company of approximately RM4.2 million for the six months ended 31 December 2019 while recorded loss attributable to owners of the Company of approximately RM2.8 million for the six months ended 31 December 2020.

Dividends

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2020 (six months ended 31 December 2019: nil).

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources/Capital Structure

The Group finances its working capital requirements through a combination of cash generated from operations, shareholder's equity and banking facilities.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As at 31 December 2020, the Group had cash and cash equivalents of approximately RM70.8 million (30 June 2020: RM76.0 million), fixed deposits with maturity over three months of approximately RM5.2 million (30 June 2020: RM5.0 million) and pledged bank deposits of approximately RM9.7 million (30 June 2020: RM9.2 million). The decrement is mainly due to the net investing and financing activities cash outflows and effect of foreign exchange rate changes during the six months ended 31 December 2020. All are denominated in Hong Kong dollars, United States dollars, Singapore dollars and RM.

As at 31 December 2020, the Group had lease liabilities of approximately RM0.8 million (30 June 2020: RM1.3 million) carrying interest rate ranging from 4.6% to 8.2% (30 June 2020: ranging from 4.6% to 8.2%). All are denominated in RM. The Group had unutilised banking facilities of approximately RM67.0 million (30 June 2020: RM47.0 million).

The Group continued to maintain a healthy liquidity position. As at 31 December 2020, the current ratio remained stable at approximately 2.0 times (30 June 2020: 1.9 times). The gearing ratio decreased from approximately 1.0% as at 30 June 2020 to approximately 0.6% as at 31 December 2020 which was mainly due to the decrease in lease liabilities and total equity of the Group. Gearing ratio is calculated based on the total loans and borrowings (which represent lease liabilities) divided by total equity at the end of the year/period.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made during the six months ended 31 December 2020.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risk associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends as well as issue of new debt or the redemption of the debt.

There had been no material change in the capital structure of the Group during the six months ended 31 December 2020.

Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately RM0.2 million (30 June 2020: RM0.3 million).

Pledge of assets

As at 31 December 2020, pledged bank deposits of approximately RM9.7 million (30 June 2020: RM9.2 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM7.1 million (30 June 2020: RM7.0 million) related 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 (30 June 2020: nil) and investment properties with carrying amount of approximately RM2.2 million (30 June 2020: nil) as at 31 December 2020 was pledged to a bank as security for bank facilities granted to the Group.

Contingent liabilities

As at 31 December 2020, the Group had contingent liabilities in respect of performance bonds for contracts in favour of customers of approximately RM4.3 million (30 June 2020: RM4.3 million).

The performance bonds were given by banks in favour of some of 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 bank of approximately RM7.1 million; and ii) corporate guarantees given by the Company as at 31 December 2020.

Risk management

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, contract assets, fixed deposits with maturity over three months, pledged bank deposits and cash at banks. Management had a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group had significant exposure to individual customers. As at 31 December 2020, approximately 53% (30 June 2020: 55%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 95% (30 June 2020: 96%) of the total gross trade receivables and contract assets were due from the Group's five largest customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Other receivables and deposits

The Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable. The Group believes that there are no significant increase in credit risk of other receivables and deposits since initial recognition and the Group provided impairment based on 12 months expected credit losses. For the six months ended 31 December 2020 and 2019, the Group assessed the expected credit losses for other receivables and deposits were insignificant and thus no loss allowance was recognised.

Cash and cash equivalents, fixed deposits with maturity over three months and pledged bank deposits

Cash and cash equivalents, fixed deposits with maturity over three months and pledged bank deposits are mainly placed with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

Interest rate risk

The Group exposed to fair value interest rate risk in relation to the Group's fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and lease liabilities. The management of the Group considers that the Group's exposure from these fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and lease liabilities to interest rate risk is not significant.

The Group's interest rate risk arises primarily from cash at banks. Cash at banks at variable rates expose the Group to cash flow interest rate risk. The Group does not anticipate significant impact to cash at banks because the interest rates are not expected to change significantly.

Foreign currency exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

Price risk

The Group is exposed to price risk through its investments in an open-end unit trust measured at FVTPL. The management of the Group manages such risk exposure by maintaining a portfolio of different investments. The Group will consider hedging the risk exposure should the need arise.

For the risks and uncertainties faced by the Group, please refer to the section headed "Principal risks and uncertainties facing the Group" under the "Directors' Report" in the 2020 annual report.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this announcement, the Group did not hold any significant investments during the six months ended 31 December 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 25 April 2019 (the "**Prospectus**") and this announcement, the Group did not have other plans for material investments and capital assets as at 31 December 2020.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the six months ended 31 December 2020.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other important events affecting the Group that have occurred since 31 December 2020 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, excluding the Directors, the total number of full-time employees of the Group was approximately 53 (30 June 2020: 62). The Group determines the remuneration of its employees with references to market rates and individual's qualifications, experience, skills, performance and contributions. The Group regularly reviews compensation and benefits policies as well as the individual performance of employees and encourages the employees to pursue their professionalism and personal goals. The Board determined the remuneration of the Directors based on recommendation from the remuneration committee of the Company, taking into consideration a number of relevant factors such as salaries paid by comparable companies, job responsibilities, duties and scope, employment conditions elsewhere in the Group, market practices, financial and non-financial performance, and desirability of performance-based remuneration.

The Company adopted a share option scheme so that the Company may grant options to the eligible persons as incentives or rewards for their contributions to the Group. In addition, employees are always encouraged to attend job-related seminars, webinars, courses and programs organised by professional or educational institutions, in Malaysia, Singapore, Hong Kong or other jurisdiction.

PROSPECTS

The COVID-19 Outbreak continuously affected the global economy and poses uncertainty on the future markets. The government of the operating jurisdictions has imposed different measures, policies, requirements and restrictions from time to time to reduce the impact of the spread of COVID-19 Outbreak. The industry competition becomes more intense with the number of projects available in the market reduced, postponed or cancelled. In addition, COVID-19 Outbreak caused 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. The Group's business performance, including revenue and profitability has been severely affected and it's hard to predict the time to recover given the long lasting COVID-19 pandemic persists. The Group therefore takes a conservative view over the Group's business and financial performance in the near future until the economy recovers.

The Group will (i) continuously comply with the relevant requirements and other policies issued by the government of the Malaysia; (ii) closely monitor the development of the COVID-19 Outbreak and uncertainties faced by the Group; (iii) implement appropriate business strategies to mitigate the potential adverse impact on our business operations and financial performance; (iv) adopt tighten cost control measures; (v) actively participate in tendering to maintain our market competitiveness; and (vi) taking appropriate measures as and when appropriate. Subsequent to the reporting period, the Group withdrew term loan of approximately RM10.6 million for the settlement of the trade payables owing to subcontractors. Taking into account of the cash and cash equivalents on hand, available banking facilities, tight cost control measures and capital commitments, the Group believes its liquidity position remains healthy.

In November 2020, JBB Builders (M) Sdn. Bhd., our major subsidiary of the Group, successfully obtained the ISO 9001:2015 certification for conformance to the quality management system, covering construction of building and infrastructure, reclamation and dredging works and coastal and river protection structures. The ISO 9001:2015 certification qualifies JBB Builders (M) Sdn. Bhd to apply for Certificate for Government Procurement which was issued in the same month and allows us to tender for projects in the public sector directly.

Going forward, the Group will continue to leverage the advantageous financial position of the Group and to explore new business opportunities in Malaysia, Singapore and Hong Kong and at the same time strengthen our presence and market position in marine construction and building and infrastructure services industry. The Group will implement the future plans cautiously and safeguard the return to the shareholders.

USE OF PROCEEDS

The net proceeds of the global offering of the Shares received by the Company were approximately HK$125.2 million (approximately RM62.6 million) *(Note 1)*, after deduction of underwriting fees and related listing expenses, of which HK$15.0 million of the total amount of fees and expenses in connection with the global offering of the Shares had been paid from the proceeds of the pre-IPO investments. Set out below is the breakdown of use of net proceeds from the global offering of the Shares from the Listing Date up to 31 December 2020:

Use of net proceeds as at 31 December 2020	Percentage of net proceeds *%*	Amount *RM million*	Amount utilised *RM million*	Actual balance as at 31 December 2020 *RM million*	Expected timeline on utilising the remaining proceeds *(Note 3)*
Acquiring one rebuilt sand carrier from one of the existing subcontractors for marine transportation services	57.9	36.2	—	36.2	By June 2022
Purchasing new land-based machineries	7.3	4.6	—	4.6	By June 2022
Satisfying performance bonds requirement of prospective projects	23.4	14.7	(1.6)	13.1	By June 2022
Upgrading the information technology and project management systems	0.6	0.4	(0.2)	0.2	By December 2021
Recruiting and expanding management team for the building and infrastructure works	3.4	2.1	(0.2)	1.9	By June 2022
Working capital and general corporate purposes	7.4	4.6	(4.6)	—	N/A
	100.0	62.6	(6.6)	56.0	

Such utilisation of the net proceeds was in accordance with the proposed allocations as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at 31 December 2020, approximately RM56.0 million (representing approximately 89.5% of the net proceeds from the global offering) had not yet been utilised *(Note 2)*.

As at 31 December 2020, the unutilised portion of the net proceeds were deposited in the Group's banks in Hong Kong and Malaysia and is intended to be utilised in the manner consistent with the proposed allocation as set forth in the Prospectus.

Notes:

(1) The net proceeds allocated for each specific use have been adjusted proportionally in the manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds received.

(2) Subsequent to the Listing, there was delay in the commencement of construction contracts due to (i) certain customers required longer time to obtain government's approval on the commencement of marine construction work; and (ii) the COVID-19 Outbreak and the Order enforced by Malaysia government since 18 March 2020. Several contracts expected to be awarded are being cancelled by the potential customers in view of the uncertainty of the future markets.

(3) The expected timeline on utilising the remaining proceeds is the best estimation of the Directors based on: (i) the latest information provided by the customers as regards the expected commencement date of the construction contracts previously secured; (ii) ongoing contracts on hand; and (iii) the present business and economic environment including the consequential impact of COVID-19 Outbreak, as of the date of this announcement. In view of the above, the Directors expects the remaining proceeds will be utilised alongside the resumption of the economic activities in general and the time span may spread from the year ending 30 June 2021 to the year ending 30 June 2022 should the situation require.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2020 and up to the date of this announcement, the Board is of the view that the Company had adopted and complied with all applicable code provisions set out in the Corporate Governance Code in the Appendix 14 to the Listing Rules ("**CG Code**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors. The Company had made specific enquiry with all the Directors and the Directors confirmed that they have complied with the required standard as set out in the Model Code regarding securities transactions by the Directors during the six months ended 31 December 2020 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2020.

AUDIT COMMITTEE

The Company established the audit committee on 11 April 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3.3 of the Corporate Governance Code as set out in the CG Code. The audit committee consists of three independent non-executive Directors, namely Mr. Tai Shin Lam, Mr. Chan Tsun Choi, Arnold and Ms. Chan Pui Kwan. Mr. Tai Shin Lam is the chairman of the audit committee.

The audit committee of the Company had reviewed the accounting principles and policies adopted by the Group and the financial reporting matters including interim results and the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2020.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the respective websites of the Stock Exchange (***www.hkexnews.hk***) and the Company (***www.jbb.com.my***). The interim report for the six months ended 31 December 2020 containing all the information required by the Listing Rules will be available on the above websites and despatched to shareholders of the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
JBB Builders International Limited
Dato' Ng Say Piyu
Chairman and executive Director

Hong Kong, 25 February 2021

As at the date of this announcement, the Board comprises Dato' Ng Say Piyu, Mr. Lam Fung Eng and Mr. Ng Chong Boon, as executive Directors, Datin Ngooi Leng Swee as non-executive Director, Mr. Tai Lam Shin, Mr. Chan Tsun Choi, Arnold and Ms. Chan Pui Kwan as independent non-executive Directors.