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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

PROFIT WARNING

This announcement is made by JBB Builders International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 30 November 2020 and information that is currently available, the Group is expected to record a loss attributable to owners of the Company of approximately RM2 million for the six months ended 31 December 2020 as compared with a profit recorded by the Group for the six months ended 31 December 2019.

Based on the information currently available to the Company, the Board believes that the expected loss of the Company for the six months ended 31 December 2020 is mainly attributable to the combined effect of the following factors:

- (a) a decrease in revenue of approximately 60% as compared with corresponding period in 2019 was primarily due to reduced volume of works done that caused by suspension of ongoing contracts, postponement of scheduled works and delay in the commencement of new contracts under the adverse impact of the long lasting outbreak of COVID-19 pandemic;
- (b) a decrease in gross profit margin was primarily caused by (i) decreased revenue as abovementioned; (ii) continuous fixed direct cost incurred; and (iii) the increase in subcontracting costs;

- (c) the recognition of loss allowance for expected credit losses on trade receivables and contract assets caused by the slowdown of the collection of receivables from the customers; and
- (d) the fair value loss on investment properties as compared with nil in the corresponding period in 2019.

As the Company is still in the process of finalising the results of the Group for the six months ended 31 December 2020, the information contained in this profit warning announcement is only based on the preliminary assessment by the Company's management on the unaudited consolidated management accounts of the Group and the information currently available, which has not been reviewed by the audit committee of the Company nor the Company's auditors, and is subject to changes and adjustments arising from further review. The interim results of the Company for the six months ended 31 December 2020 is expected to be published by the end of February 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 January 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.