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## **JBB BUILDERS INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1903)**

### **INSIDE INFORMATION**

This announcement is made by JBB Builders International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors the following business update based on the preliminary review of the unaudited consolidated management accounts of the Group for the four months ended 31 October 2021 and information that is currently available.

#### **REVENUE**

During the four months ended 31 October 2021, the Group recorded revenue of approximately RM158.3 million which is significantly increased as compared to approximately RM34.6 million for the six months ended 31 December 2020. The substantial increase in revenue was primarily due to the substantial increase in volume of sand transported generated from marine transportation contracts while offsetting by the decrease in volume of work for building and infrastructure services as compared with corresponding period in 2020. The Group expects that the revenue for the six months ending 31 December 2021 will be at least 6 times the revenue for the six months ended 31 December 2020.

The Board expects that the marine transportation contracts would likely to contribute stable revenue to the Group in the near future and results to the increase in revenue compared with the financial year ended 30 June 2021. Since the financial year ended 30 June 2021 and up to the date of this announcement, the Group had been awarded 4 contracts with original contract sum in aggregate of approximately RM50.4 million, including a marine construction contract in relation to marine sand supply and sand handling amounted to approximately RM47.2 million from a new customer which is expected to be completed by the financial year ending 30 June 2022.

On the other hand, the Group has commenced the trading business of marine gas oil since October 2021 and believes that this trading business of marine gas oil can help expand the business opportunity along the marine transportation value chain and improve the profit of the Group. In October 2021, the Group generated revenue of approximately RM5.1 million from this trading business of marine gas oil. The Group expects that the revenue from trading business of marine gas oil will generate stable revenue to the Group in the future.

### **GROSS PROFIT**

Due to the increase of revenue as abovementioned, a gross profit was recorded for the four months ended 31 October 2021 as compared to a gross loss for the corresponding period in 2020. However, the Group expects that the gross profit margin for the six months ending 31 December 2021 will not be higher than 5% which was mainly due to lower contract value was entered as a result of increased competition in the market compared with those completed in previous years, increase in subcontracting costs and fixed direct cost was continuously incurred under the segment of reclamation and related works.

### **ALLOWANCE FOR IMPAIRMENT LOSS ON TRADE RECEIVABLES AND CONTRACT ASSETS**

As at 31 October 2021, there were trade receivables of approximately RM32.5 million which were overdue more than 1 year. Accordingly, allowance for impairment loss on trade receivables of approximately RM6.5 million has been recognised as at 31 October 2021 for the respective trade receivables. Based on the latest discussion with the customers, the Group expects that the collection of the majority of such receivables would be further delayed. As a result, it is expected that there would be a further increase in loss allowances for expected credit losses on trade receivables and contract assets resulting from such long outstanding aging of receivables from the customers. In the event if such trade receivables cannot be collected by 31 December 2021, it is expected that increase in allowance for impairment loss on trade receivables of approximately RM4.8 million have to be further recognised as at 31 December 2021. Nonetheless, the Group acts in the best interests of the Company and the Shareholders as a whole and keeps on negotiating with the respective customers on methods to recover the debts, with the consideration of, including but not limited to, installment settlement arrangements, settlements through assignment of land and properties of the customers and legal proceedings.

The information contained in this 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 information may be subsequently adjusted or differ from the data to be disclosed in the interim results of the Company for the six months ending 31 December 2021 which is expected to be published by the end of February 2022.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and reminded of the risks which may result from inappropriate reliance upon or utilisation of the information given above.**

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

Hong Kong, 13 December 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.*