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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 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 2019 and information that is currently available, it is expected that the Group’s profit attributable to owners of the Company for the six months ended 31 December 2019 will decrease as compared to that for the corresponding period in 2018.

Based on the information currently available to the Company, the Board believe that the expected decrease in the profit attributable to owners of the Company for the six months ended 31 December 2019 is mainly attributable to the combined effect of the following factors:

(a) a decrease in revenue due to:

- slowdown on the progress of the on-going projects as a result of change of work schedules initiated by the customers and as affected by adverse weather conditions; and
- delay in the commencement of certain new contracts secured during the year ended 30 June 2019 given that certain customers required longer time to obtain government’s approval on the commencement of marine construction work, and change of design layout by the customers;

- (b) the recognition of impairment loss on trade receivables and contract assets as compared against the gain arising from the reversal for impairment loss on trade receivables and contract assets for the corresponding period in 2018;
- (c) an increase in general and administrative expenses primarily due to increase in professional and compliance cost incurred after listing;
- (d) no listing expenses incurred after the listing on 10 May 2019 which partially alleviate the impact of items (a) to (c) above.

Notwithstanding the above, the Board would like to emphasise that there is no cancellation of contracts since the commencement of the year ending 30 June 2020. The management of the Group is actively sourcing new potential projects through submitting tenders and quotations. As at 31 December 2019, the Group submitted 10 tenders and 6 quotations with an aggregate expected contract sum of approximately RM1,076.1 million for which the results were still pending.

As the Company is still in the process of finalising the results of the Group for the six months ended 31 December 2019, 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 nor audited by 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 2019 is expected to be published by the end of February 2020.

**Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 17 January 2020

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