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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

BUSINESS UPDATE AND 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).

BUSINESS UPDATE

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Group’s latest business update in light of the outbreak of the coronavirus COVID-19 (the “**COVID-19 Outbreak**”). Since the COVID-19 Outbreak worldwide, the government of Malaysia has taken emergency public health measures including Restriction of Movement Order (the “**Order**”) to prevent the spread of the disease by, including but not limited to, barring Malaysian citizens from travelling abroad, prohibiting entry of foreigners, and closure of all government and private premises excluding those premises providing essential services. The Order took effect from 18 March 2020 and extends to 9 June 2020 which has led to disruption to the normal business operations in Malaysia in general, and the Group has likewise been affected.

On 10 April 2020, the Ministry of International Trade and Industry of Malaysia (the “MITI”) has allowed resumption of certain business operations including, inter alia, construction projects of which the percentage of completion reached 90%, subject to the MITI’s approval. On 1 May 2020, the Prime Minister of Malaysia further announced to allow most companies to resume business operations subject to conditions and standard operating procedures. As of the date of this announcement, the Group obtained conditional approval from MITI for the resumption of operations of offices and all construction sites of on-going projects which have commenced construction before the Order enforced, which are subject to several conditions. These conditions include but not limited to (i) obtaining approval from MITI for the resumption of operations of the respective construction sites by our supply chain including our subcontractors and suppliers; (ii) all foreign workers having undergone COVID-19 laboratory test and being COVID-19 free before being allowed to start work; and (iii) the compliance with the standard operating procedures imposed by the Ministry of Works of Malaysia and the Construction Industry Development Board of Malaysia and other standard operating procedures, requirements and guidelines set by the MITI, Ministry of Health and other relevant Ministries and agencies from time to time (the “**Standard Operating Procedures**”).

The temporary suspension of business operations in Malaysia is beyond the control of the Group, nevertheless, the Group is gradually resuming the operations of the construction works by following the Standard Operating Procedures.

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 March 2020, the Group’s profit attributable to owners of the Company for the nine months ended 31 March 2020 has significantly decreased by approximately 90% as compared to that for the corresponding period in 2019 which is mainly attributable to (i) the substantial decline in revenue resulting from suspension of the Group’s on-going projects and postponement of the scheduled construction works due to the COVID-19 Outbreak and the Order enforced since 18 March 2020; (ii) the recognition of loss allowance for expected credit losses on trade receivables and contract assets due to the slowdown of the collection of receivables from our customers; and (iii) other factors as disclosed in the interim report 2019.

Based on the above financial information and information currently available to the Company, the Board expects that the Group’s profit attributable to owners of the Company for the year ending 30 June 2020 will decrease substantially as compared to that for the corresponding period in 2019. Given that (i) the pandemic may persist; (ii) the operations of the construction sites are still behind full capacity due to the uncertainty of labor workforce and lower efficiency after implementing the measures required under the Standard Operating Procedures such as the on-the-job social distancing and strict observance of personal hygiene and health control guidelines; and (iii) the full resumption of the business operations of the construction sites requires the coordination with our subcontractors, the degree of impact of the COVID-19 on the Group’s business and financial performance for the year ending 30 June 2020 are yet to be fully ascertained.

Notwithstanding the above information, there is no cancellation of contracts by our customers since the commencement of the year ending 30 June 2020 and up to the date of this announcement. The Board reiterates that 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 assess the risks and uncertainties faced by the Group as a result of the COVID-19 Outbreak; (iii) implement appropriate business strategies to mitigate the potential adverse impact on our business operations and financial performance; and (iv) take appropriate measures and make further announcements if there is any material development to the operations or business of the Group as and when appropriate.

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 nor audited by the Company's auditors, and is subject to changes and adjustments arising from further review. The annual results of the Company for the year ending 30 June 2020 are subject to changes in market condition, time for fully resume the business operations in Malaysia and may be different from the information contained in this announcement. The annual results of the Company for the year ending 30 June 2020 is expected to be published by the end of September 2020.

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 May 2020

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. Wong Kwok Wai, Albert and Ms. Chan Pui Kwan as independent non-executive Directors.