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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 (the “**Board**”) of directors (the “**Directors**”) of the Company 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 eleven months ended 31 May 2023 and information that is currently available, the Group is expected to record a profit attributable to owners of the Company of not more than RM1 million for the year ended 30 June 2023, as compared with a profit attributable to owners of the Company of approximately RM12.5 million recorded by the Group for the year ended 30 June 2022.

Based on the information currently available to the Company, the Board believes that the expected profit of the Company for the year ended 30 June 2023 is mainly attributable to the combined effect of the following factors:

- (a) a substantial decrease in revenue for the year ended 30 June 2023 as compared with the corresponding period in 2022, which was primarily due to (i) the substantial decrease in volume of sand transported generated from a marine transportation contract in Singapore given that there were some preparation and rearrangements of construction sites by customer and so the delivery of marine sand was in slow pace during the transition period; (ii) decrease in demand of marine gas oil due to the decrease of marine transportation works; and (iii) completion of certain contracts which contributed to a substantial portion of revenue for the year ended 30 June 2022, while partially offsetting by (i) the increase in volume of work generated from new contracts awarded during the year ended 30 June 2023; and (ii) the increase in volume of work performed for building and infrastructure services as compared with the corresponding period in 2022;

- (b) a substantial decrease in gross profit for the year ended 30 June 2023 as compared with the corresponding period in 2022, which was primarily caused by the decrease in revenue as abovementioned, while partially offsetting by higher gross profit margin for building and infrastructure services than the corresponding period in 2022;
- (c) upon the completion of major transaction pursuant to the master supplemental agreement entered into with one of the long outstanding customers and its related party in relation to the settlement transactions (reference is made to the announcements of the Company dated 22 June 2022, 15 July 2022, 30 August 2022, 5 October 2022, 12 October 2022 and 13 April 2023, and the circular of the Company dated 19 July 2022), the recognition of reversal of loss allowance for expected credit losses on trade receivables and contract assets in respect of this customer; while partially offsetting by 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 other customers as compared with the corresponding period in 2022; and
- (d) a significant increase of other revenue as compared with the corresponding period in 2022, arising from the increase in interest income on deposits placed in the Group's banks in Hong Kong and Malaysia as a result of the increase in bank interest rates and the recognition of imputed interest income on contract assets in relation to part of the balances owing from a customer to be settled by instalments in more than one year.

As the Company is still in the process of finalising the results of the Group for the year ended 30 June 2023, 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 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 ended 30 June 2023 is expected to be published by the end of September 2023.

**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, 20 July 2023

*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.*