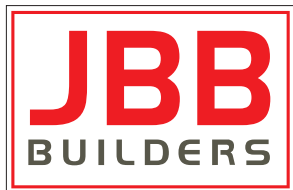


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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET COMPANY

Financial Adviser to the Company



Reference is made to the announcement of JBB Builders International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the sale and purchase agreement dated 29 January 2026 (the “**Announcement**”) and the supplemental announcement dated 31 March 2026. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide supplemental information in connection with the Acquisition in this announcement.

FURTHER INFORMATION ON THE TARGET COMPANY

Development and future prospects of the Target Company

The Target Company was established in January 2019, formerly known as Chengdu Shanhai Lantu Supermarket Management Co., Ltd.* (成都山海藍圖超市管理有限公司). It was acquired by the Vendor in November 2020 from three then shareholders. Those three shareholders are Independent Third Parties to the Group. Before the share transfer, the Target Company had already been operating convenience stores business in Sichuan province, by using the brand of “OurHours (全時)” since its inception and accumulated relevant franchising experience in the past.

Leveraging on a well-established upstream supplier network and a strong offline store base, the Target Company has a stable foundation for future development in Sichuan. In the future, the core development plans will be primarily driven by the franchise model to continuously expand the scale of franchise stores network and further increase the stores density, in order to establish a regional benchmark/icon for convenience stores franchising.

Business model

As disclosed in the Announcement, the Target Company has built a business system of “Brand + Operation + Supply Chain (品牌+運營+供應鏈)” by operating self-operated stores, franchise and wholesaling supply chain businesses. The Company wishes to provide further information on the business model of the Target Company.

Self-operated stores

Self-operated stores are directly run and owned by the Target Company, which retains all of the profit after deducting operational expenses (i.e. rent, water, electricity, salaries, daily consumptions and maintenance, etc.). Some of the self-operated stores will serve as model units to demonstrate operational standards to franchisees and serve as experimental stores to pilot new self-developed products such as new food boxes or new drinks before wider rollout.

Franchise

Franchised stores are run by the franchisees. Most of the profits are retained by the franchisees as an incentive award for the franchisees to improve stores performance, with the Target Company’s primary revenue being the franchise fees, franchise management fees, and supply chain revenue. For supply chain revenue, the Target Company will earn the price differences of the products sold by the franchisees as they need to procure some products from the Target Company. Some of the franchisees will adopt a cost-sharing model under which operational expenses are shared, while employee salaries are borne by the franchisees. This model is intended to lower the entry threshold for franchisees to start the business, while relying on the standardised franchise model to ensure consistent quality of stores.

The convenience stores under the self-operated model and the franchised stores model are similar, they provided food boxes, freshly made food and drinks, snacks, breads, dairy, beverages, alcoholic drinks, contraceptive devices, personal care products, etc.

Wholesaling supply chain

The Target Company has its own independent supply chain system and operating system, its supplier network comprised by over 104 suppliers in Sichuan, to procure, including but not limited to, soft drinks, snacks, poultry and vegetables (for producing food boxes). The entire supply chain will be “Warehousing – Distribution – Stores”. The Target Company is responsible for (i) centralised procurement and supplier management; (ii) warehouse management; (iii) delivery and distribution; (iv) data-driven inventory management across the whole supply chain; and (v) full-process cold chain management for fresh food. The revenue stream from the wholesaling supply chain is generated by the delivery fees and supply chain fees charged on the suppliers, the price differences of the procurement and sales to some external small stores, fresh food OEM and supply chain consultancy income. The Target Company sources directly from highly qualified manufacturers that meet strict quality standards.

Management personnel with relevant experience and expertise

The Company acknowledges that the existing Directors do not possess direct operation experience and expertise in the PRC’s convenience stores industry (the “**Relevant Experience**”). However, to ensure effective management and oversight of the Target Company, the Company has (i) retained the existing senior management team of the Target Company with the Relevant Experience; and (ii) asked the Vendor to provide specific undertakings under the Sale and Purchase Agreement to offer operational support and handover for one year following the Completion Date, including but not limited to, recruiting suitable replacements and ensuring a smooth handover of duties, facilitating the introduction of the Purchaser to the Target Company’s major suppliers and logistics partners, and ensuring that the Target Company continues to have full, uninterrupted access to all existing point of sale, inventory management, and IT systems necessary for daily operations.

The following are the details of each existing major management team members:

Ms. Lai Shiwei (賴世偉)

Ms. Lai, the general manager of the business department in the Target Company, joined the Target Company in January 2019 and has more than 15 years of experience in supply chain management and standardised store operations. Her expertise focuses on core areas such as supply chain integration, supplier management, warehousing and distribution optimisation, and store operation system implementation in the convenience store/supermarket sector. She specialises in improving the efficiency of the retail supply chain, regional chain layout and store scale expansion. She has led the construction and expansion of numerous chain stores, effectively improving the supply chain turnover efficiency and the overall operational performance of the stores.

From October 2017 to January 2019, she worked in Chengdu Suning Xiaodian* (成都蘇寧小店) as product department manager.

Ms. Chen Youhui (陳友會)

Ms. Chen, the financial director of the Target Company, joined the Target Company in February 2019 and has more than 20 years of experience in finance and accounting. She has extensive experience in financial accounting, capital management, cost control, and financial system implementation in the retail chain industry, and is also familiar with the financial operation characteristics and tax compliance requirements of the convenience store industry.

From February 2016 and February 2019, she worked in Chengdu Quanshi 365 Convenience Store Management Co., Ltd.* (成都全時叁陸伍連鎖便利店管理有限公司) as financial director.

Ms. Liu Jingyi (劉婧宜)

Ms. Liu, the operation director of the Target Company, joined the Target Company in July 2020 and has more than 10 years of operational management experience in retail and chain stores operation. She is responsible for daily operation, operational planning and target achievement, supervision and training, cost control, management on stores and franchise, and external coordination.

From February 2019 to July 2020, she worked in Chengdu Shanhai Lantu Supermarket Management Co., Ltd.* (成都山海藍圖超市管理有限公司) as deputy director of general management department.

Transitional support by the Vendor

To bridge the experience gap, the Vendor has provided specific undertakings under the Sale and Purchase Agreement to offer operational support and handover for one year following the Completion Date. These include, among others:

- Stability of the workforce. In the event of the resignation of any key employee, the Vendor shall assist the Purchaser in recruiting suitable replacements and ensuring a smooth handover of duties.
- Supply chains and logistics. The Vendor shall facilitate the introduction of the Purchaser to the Target Company's major suppliers and logistics partners.
- Existing systems. The Vendor shall ensure that the Target Company continues to have full, uninterrupted access to all existing point of sale, inventory management, and IT systems necessary for daily operations.

Although the Board does not currently possess the Relevant Experience, the Directors have extensive experience in corporate governance and financial management. Upon Completion, the Target Company will be integrated into the Group's internal control system.

In addition to relying on the Target Company's existing management team and the Vendor's transitional support, the Group is committed to strengthening its management capabilities. The Group will recruit suitable talents (including at the issuer level) with Relevant Experience as and when necessary to ensure effective oversight and business growth.

ROYALTY COST WAIVER

The Vendor owns the trademark of “FOOK (見福)” and the standardised chain store management system for convenience stores, which includes, but not limited to, standard operating procedures, training systems and brand standards, that provide the necessary guidelines and standardised procedures to maintain brand consistency. The Vendor has authorised the Target Company to use its self-owned trademarks, trade name rights, operational technical assets related to “FOOK (見福)” (the “**Intangible Assets**”) in the authorised territory, Sichuan Province. In other words, the Target Company acted as the authorised regional operator of the Vendor. Accordingly, the Vendor and the Target Company entered into an authorisation agreement in November 2020, pursuant to which the Vendor charged the Target Company a cost for using the Intangible Assets (the “**Royalty Cost**”). In June 2021, the Vendor and the Target Company entered into a supplemental agreement, under which both parties mutually agreed that the recognition of the Royalty Cost for the year ended 31 December 2021 and the year ended 31 December 2022 would be deferred, and such deferred amount shall be recognised and repaid over the year ended 31 December 2023 to the year ended 31 December 2025 (the “**Special Arrangement**”), after having considered the impact on the Target Company brought by the COVID-19 pandemic. The Special Arrangement led to the significant unaudited net loss after taxation of the Target Company for the year ended 31 December 2024, which was approximately RMB26,554,000. The Company would like to further clarify that such loss was mainly due to recognition of the Royalty Cost incurred from the year ended 31 December 2021 to the year ended 31 December 2024. In fact, the Royalty Cost incurred for the year ended 31 December 2024 was only approximately RMB8.3 million while recognised as RMB23 million including value added tax. Such differences arose from timing differences in the recognition of the Royalty Cost for the years ended 31 December 2021 to 31 December 2024, and may be subject to adjustment including being added back to provide in a subsequent auditor’s review if the Royalty Cost is accounted for on an accrual basis.

In connection with the Company’s proposed acquisition of the Target Company and to support the Target Company’s continuing operations, the Vendor has agreed to waive the future Royalty Cost starting from 1 January 2026 after mutual negotiation of the parties. In this connection, the Vendor and the Target Company entered into an undertaking in relation to the continued use of the relevant authorisation (the “**Royalty Cost Waiver**”), pursuant to which the Vendor agreed the Target Company continuing to use the Intangible Assets and undertook not to charge any Royalty Cost in the future.

FINANCIAL INFORMATION

The unaudited total liabilities of the Target Company were approximately RMB165.4 million as at 31 December 2025. The Company would like to point out that such liabilities were mainly due to (i) the internal fund transfers within the Vendor’s group; and (ii) the accrued but unpaid Royalty Cost of RMB30.8 million as at 31 December 2025, incurred from the year ended 31 December 2021 to the year ended 31 December 2025. In view of this, the Company expects the future amount of liabilities would be lowered and the liquidity risk of the Target Company can be effectively controlled, especially the Debt Restructuring will be done prior to the Long Stop Date (i.e., 30 April 2026), the liabilities of the Target Company will be significantly reduced.

The Board has made an assessment on the factors above and under the paragraph head “ROYALTY COST WAIVER” and believes that the financial performance and position of the Target Company will be improved on the following basis: (i) the Royalty Cost will be waived by the Vendor starting from 1 January 2026. This will have a positive impact on the profitability of the Target Company; and (ii) following the Completion, the Target Company will no longer obtain operating funds from the Vendor or its affiliated companies. Therefore, the indebtedness of the Target Company will be significantly reduced, and hence the financial position of the Target Company will be significantly improved.

PROFIT GUARANTEE

As disclosed in the Announcement under the section of “Profit guarantee”, for the purpose of determining the Actual Profit, a certain receivable as identified in the Sale and Purchase Agreement shall be deemed to have been repaid in full, and any write-off, impairment, or provision relating to such receivable shall be disregarded. The Company would like to supplement that, this receivable is due from a subsidiary of the Vendor, amounting RMB30.0 million. The Vendor has undertaken to procure that the subsidiary shall repay in full to the Target Company on or before 30 June 2026. Therefore, any write-off, impairment, or provision relating to such receivable shall be disregarded from the Actual Profit.

In assessing the Guaranteed Profit, the Board has considered the adjustment of the Royalty Cost Waiver on the unaudited net profit after taxation and in the view that the Target Company’s profitability is guaranteed in the future. The net profit of the Target Company for the year ended 31 December 2025 was approximately RMB1.1 million. Taken into account the impact of the Royalty Cost Waiver, RMB7.8 million (being the Royalty Cost recognised for the year ended 31 December 2025) should be added back for adjustment purposes to valuate the actual profitability of the Target Company. As a result, the actual profitability of the Target Company is close to the Guaranteed Profit (RMB10 million) for each Guarantee Year.

Moreover, in order to assess the Vendor’s capability to honour the Guaranteed Profit, the Board has also reviewed (i) the major audited financial figures of the Vendor for the year ended 31 December 2024, including its revenue, profit, net assets value; (ii) the Vendor’s renowned shareholders basis, including but not limited to, Jiangsu Jingdong Bangneng Investment Management Co., Ltd. (江蘇京東邦能投資管理有限公司) (“**Jingdong Bangneng**”) and Beijing Sequoia Shengde Equity Investment Centre (Limited Partnership)* (北京紅杉盛德股權投資中心(有限合夥)) (“**Sequoia Shengde**”). Jingdong Bangneng was one of the major subsidiaries and operating entities of JD.com, Inc. Sequoia Shengde is an entity indirectly non-wholly owned by HongShan Capital Group (formerly known as Sequoia Capital China); and (iii) the scale and paid-up capital (i.e., approximately RMB156.3 million) of the Vendor. On such basis, it is unlikely for the Vendor being insolvent and the Directors are of their opinion that the Vendor will have sufficient financial resources to honour its obligations under the Guaranteed Profit.

In the event that the Vendor and the Guarantor fail or refuse to fulfill their payment obligations under the Guaranteed Profit, the Company will seek legal opinions and advices on next course of action. In addition, the Company is prepared to engage its legal advisers to take all necessary and appropriate actions to vigorously enforce its contractual rights and to protect the interests of the Company and its Shareholders.

Company's business plan should the Target Company incur losses after 2027

The Company has a clear and actionable long-term business plan to safeguard the interests of the Company and its shareholders should the Target Company incur losses after 2027.

1. *Franchise Network Expansion and Supply Chain Optimisation*

Subject to the market conditions, the Company will continue to implement the core development strategies as outlined in this announcement, thereby ensuring sustained revenue growth:

- To mitigate fixed-cost-heavy retail operations, the cost-sharing franchise model will be actively promoted to lower the entry barriers even further and accelerate the pace of new store openings. The Company will continue to streamline the franchise application and approval process, provide enhanced standardised training, and may introduce performance-linked support packages to encourage rapid network expansion and higher store density.
- The Company will further enhance the established “Brand + Operation + Supply Chain” framework. Emphasis will be placed on brand promotion to enhance customer loyalty. Additionally, advanced data analytics will be utilised for improved demand forecasting and to negotiate better procurement terms to the extent possible. The Company is also prepared to optimise its warehousing and distribution facilities to accommodate a growing franchise network.

2. *Strengthened Management Oversight*

The Board will leverage its extensive expertise in corporate governance and financial management to implement proper budgetary and cash-flow controls. Working in tandem with the retained talents of the Target Company and leveraging the one-year operational support from the Vendor, the Company will facilitate the implementation of proper remedial measures (e.g. cost optimisation, supply-chain efficiency management and targeted franchise expansion) in accordance with the market conditions.

3. *Strategic Talent Acquisition*

To ensure the business remains agile and competitive, the Company will actively recruit and retain suitable talents with relevant experience in the PRC convenience stores industry to strengthen the management oversight and drive business growth.

In view of the above, the Board is confident that these measures will effectively mitigate the potential post-2027 losses, ensuring the continued viability of the Target Company, thereby protecting the Company and its shareholders' interests as a whole.

WAIVER OF CONDITIONS PRECEDENT

As at the date of this announcement, the Company has no current intention to waive the condition on completion of the Debt Restructuring. Given the numerous parties involved in the Debt Restructuring, the Vendor and the Target Company are required to make arrangement with each third party. Furthermore, confirmations from such third parties are required for their confirmations on their liability transfer. This process may require lengthy negotiations and may be time-consuming.

Accordingly, if the Debt Restructuring cannot be completed before the Long Stop Date, the Company (as Purchaser) may, at its sole discretion, grant an extension of time to complete the Debt Restructuring.

Except for strong and convincing reasons, the Company would only consider waiving the condition on completion of Debt Restructuring if it is substantially completed and the remaining un-transferred liabilities are immaterial in amount.

VALUATION OF THE TARGET COMPANY

Selection criteria

To identify suitable comparable companies for the Target Company, the Valuer considered the following factors:

- similar business nature of the Target Company. The Target Company is principally engaged in retail business and operates convenience stores business and generating revenue from distributing fast-moving consumer goods (“FMCG”), fresh food, and daily necessities in Sichuan Province, the PRC, thus, the Valuer searching for listed companies engaged in convenience stores and/or supermarket businesses, those shared the similar business model;
- the reliability and representative of enough number of comparable companies. According to the Valuer, listed company with market capitalisation less than US\$50 million lacks enough liquidity to be considered as a fair comparable, thus, the Valuer adopted the market capitalisation requirement in the range of US\$50 million to US\$1.5 billion and made size premium adjustments to the multiples. Furthermore, if the Valuer only considered the Hong Kong listed companies, the comparison basis will be too narrowed, by considering the business location of the Target Company, the Valuer decided to include the PRC listed companies with similar nature as well; and
- profitability in the latest period. The net profit of the Target Company for the year ended 31 December 2025 was approximately RMB1.1 million. In this connection, the Valuer is searching for comparable companies made profit in the latest period.

Comparable companies

The Target Company operates a “Brand + Operation + Supply Chain” model, distributing FMCG, fresh food, and daily necessities through a network of convenience stores. Also, the Valuer considered the factors of (i) mainly distribute FMCG, fresh food, and daily necessities and relied on outsourced PRC suppliers; (ii) revenue segment with similar nature greater than 50%, from retail business; (iii) selling channels of both online and offline; and (iv) focused with local customers.

Company/Aspect	1. Jiangxi Guoguang Commercial Chains Co Ltd (605188.SH)	2. Chengdu Hongqi Chain Co Ltd (002697.SZ)	3. Jiayiyue Group Co Ltd (603708.SH)	4. Sanjiang Shopping Club Co Ltd (601116.SH)	5. Rainbow Digital Commercial Co Ltd (002419.SZ)	6. Liqun Commercial Group Co Ltd (601366.SH)	7. Best Mart 360 Holdings Ltd (2360.HK)	8. International Housewares Retail Co Ltd (1373.HK)
Business Model	Approximately 91% of revenue came from supermarket business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 93% of revenue came from convenience store business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 92% of revenue came from supermarket, convenience store and snack shop business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 99% of revenue came from supermarket business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 63% of revenue came from supermarket business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 61% of revenue came from supermarket and convenience store business. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 99% of revenue came from retail store business under the brands “Best Mart 360”. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.	Approximately 87% of revenue came from retail store business in Hong Kong and Macau under the brands “JHC”, “Japan Home”, “Day Day Store”, etc. In other words, business of distributing and selling FMCG, fresh food, and daily necessities through both brick-and-mortar stores and online platform.
Target customers as of valuation date:	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income	Both online and offline customers Local people with normal or low income
Suppliers as of valuation date:	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China and Hong Kong Little self-manufacturing (processed product) and mainly outsourcing	Location: mainland China and Hong Kong Little self-manufacturing (processed product) and mainly outsourcing
Scale of operation as of valuation date:	Annual revenue of approximately RMB2,688 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately RMB1,123 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately RMB1,256 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately RMB3,875 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately RMB1,786 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately RMB7,442 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately HK\$2,805 million for the year ended 31 December 2024 according to the latest audited financial statements.	Annual revenue of approximately HK\$2,537 million for the year ended 30 April 2025 according to the latest audited financial statements.
Business locations as of valuation date:	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Mainland China	Hong Kong China	Hong Kong China

Market multiples

The appraised value is calculated by the median of the EV/E ratio, EV/S ratio and EV/B ratio, based on the following considerations:

- **EV/E ratio:** The ratio compares a company’s enterprise value (EV) to its net profit after tax (NPAT). It allows for direct comparison of firms regardless of their capital structure. It is considered less affected by differences in capital structure compared to the price-to-earnings (“P/E”) ratio. As the Target Company has recorded net profit of approximately RMB1.1 million for the year ended 31 December 2025, the Valuer has considered EV/E ratio. However, the Target Company only made profit for the year ended 31 December 2025, the EV/E ratio is not fully representative, thus, the Valuer also considered the EV/S ratio.

- EV/S ratio: The ratio compares a company's enterprise value (EV) to its revenue (S). It is commonly used to measure the worth of a stock and to determine a company's valuation within a case of a possible acquisition. This ratio is less affected by differences in accounting treatment, such as varying depreciation, amortisation, interest expense policies or other non-cash charges. It takes into account a company's debt load, providing an advantage over the price-to-sales ("P/S") ratio.
- EV/B ratio: The ratio compares a company's enterprise value (EV) to its net book value (B). It is a significant valuation metric that measures the company's worth as it considers both the equity level and debt level of the Target Company, which facilitates comparing companies with different debt levels and reflect the value of the companies. As at 31 December 2025, the Target Company has total assets of approximately RMB109.9 million and the Adjusted NAV of approximately RMB72.8 million upon the completion of Debt Restructuring. In order to reflect the net asset value of the Target Company, the Valuer also considers the EV/B ratio.

The Valuer has conducted a comparative analysis of the public comparable companies' market capitalisation, profitability in the latest period, and the capital intensity to evaluate the applicability of the market approach for the Target Company. The above factors are equally important to each enterprise. Therefore, average weighting of multiples is adopted. To test the consistency of the weighting of multiples, the Valuer also testify the Coefficient of Variation ("CV") of the multiple as below:

Stock Code	Company Name	Adjusted EV/E	Adjusted EV/S	Adjusted EV/B
605188.SH	Jiangxi Guoguang Commercial Chains Co Ltd	29.73	3.41	6.85
002697.SZ	Chengdu Hongqi Chain Co Ltd	8.84	0.67	1.29
603708.SH	Jiajiayue Group Co Ltd	20.85	0.56	3.55
601116.SH	Sanjiang Shopping Club Co Ltd	18.71	1.63	1.92
002419.SZ	Rainbow Digital Commercial Co Ltd	27.27	1.45	3.68
601366.SH	Liqun Commercial Group Co Ltd	27.10	1.55	2.52
2360.HK	Best Mart 360 Holdings Ltd	6.90	0.72	3.44
1373.HK	International Housewares Retail Co Ltd	13.43	0.23	0.64
	Mean	19.10	1.28	2.99
	Standard deviation	8.73	1.01	1.92
	Median (<i>Notes i & ii</i>)	19.78	1.08	2.98
	Coefficient of Variation	0.46	0.79	0.64

Note:

- The Valuer assumes the profitability growth, liability growth, and net asset growth are reflected in the adjusted multiples of the comparable companies.
- Regarding the adoption of median rather than mean, the median is a better measure of the central tendency as it is not skewed by exceptionally high or low characteristic values.

Weighting of a type of market multiples (e.g. EV/E) is based on the CV (Standard Deviation/Mean) of that type of market multiples. When the CV is larger than 1, it means the further the market multiples cluster from the average and the result or value derived from the multiples is likely to be less accurate since it falls into a wide range. Therefore, less weighting will be applied to the result or value from that type of market multiples (e.g. EV/E). In our case, the Coefficient of Variation of the market multiples of EV/E, EV/S, and EV/B are 0.46, 0.79 and 0.64. As all Coefficient of Variation of the market multiples are all less than 1, these market multiples are considered as low variance, which means there are no outliers within all market multiples adopted, and all results or values derived from the three multiples are accurate since these falls into a narrow range. Therefore, equal weighting are adopted to the result using the three market multiples.

Meanwhile, the Valuer also considers the lack of marketability and made a DLOM of 20% for the valuation of the Target Company. For more details of the DLOM, please refer to the section of “Discount for lack of marketability (“DLOM”)” of the Announcement.

In order to eliminate the size distortion between the Target Company and the larger listed peers, the Valuer did not use raw market multiples. Instead, the Valuer applied a strict mathematical size premium adjustment to the multiples of every comparable company (Formula: Adjusted Market Multiple = $1 / [(1 / \text{Origin Market Multiple}) + \text{Subject Size Premium} - \text{Peers Size Premium}]$). The size premium adopted was the size premium for micro-cap 7-10 decile companies with reference to the size premium study published by Duff & Phelps, LLC.

The market multiple after size premium adjustments are as follows:

Stock Code	EV/E	EV/S	EV/B	Subject		Adjusted EV/E	Adjusted EV/S	Adjusted EV/B
				Peers size premium	size premium			
605188.SH	1,855.09	3.84	8.87	0.0139	0.047	29.73	3.41	6.85
002697.SZ	12.49	0.68	1.35	0.0139	0.047	8.84	0.67	1.29
603708.SH	67.31	0.57	4.02	0.0139	0.047	20.85	0.56	3.55
601116.SH	49.15	1.72	2.05	0.0139	0.047	18.71	1.63	1.92
002419.SZ	934.68	1.53	4.23	0.0114	0.047	27.27	1.45	3.68
601366.SH	765.04	1.64	2.76	0.0114	0.047	27.10	1.55	2.52
2360.HK	8.49	0.73	3.80	0.0199	0.047	6.90	0.72	3.44
1373.HK	13.43	0.23	0.64	0.0470	0.047	13.43	0.23	0.64

Note:

- i. EV (Enterprise Value sourced from London Stock Exchange Group (“LSEG”)): EV = market capitalization + debt including preferred equity & minority interest – cash & short term investments
- ii. E (Income Available to Common Shares (last twelve months (“LTM”)) sourced from LSEG): represents total net profit/loss (LTM) reported by the company after provision for income taxes, equity in earnings, after-tax adjustments, discontinued operations, extraordinary items and minority interest, but before other adjustments to net income, preferred dividends and other distributions

- iii. S (Total Revenue (LTM) sourced from LSEG): represents total consolidated revenue (LTM) of the company
- iv. B (Net Asset sourced from LSEG): represents total equity after minority interest of the company
- v. Peers size premium: represents the size premium adopted for micro-cap 7-10 decile companies with reference to the size premium study published by Duff & Phelps, LLC
- vi. Subject size premium: represents the size premium of the Target Company with reference to the size premium study published by Duff & Phelps, LLC

Adjusted NAV

Before the completion of the Debt Restructuring, as at 31 December 2025, the Target Company has total assets and total liabilities of approximately RMB109.9 million and RMB165.4 million respectively. Accordingly, the net liabilities position was approximately RMB55.5 million.

Pursuant to the Sale and Purchase Agreement, except the liabilities which cannot be transferred or settled or the restructuring of which will adversely affect the daily operation of the Target Company, all the liabilities will be transferred under the Debt Restructuring. For Valuation purpose, the relevant liabilities to be paid by the Vendor or to be transferred to other third parties of the Target Company amounted to approximately RMB128 million according to the management account of the Target Company as of 31 December 2025. The table below sets out the liabilities details:

	<i>RMB</i> <i>'000</i>
Accounts payables	15,017
Deferred revenue	1,362
Contractual liabilities	61
Salaries payables	348
Tax payables	101
Other payables	111,403
	<hr/>
Total	128,292
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After the Debt Restructuring, only the Retained Lease Liabilities, the aggregate amount of which shall not exceed RMB38,000,000, will remain in the Target Company for daily operations. The adjusted net asset value of the Target Company as at 31 December 2025 after the Debt Restructuring will become approximately RMB72.8 million (the “**Adjusted NAV**”).

Adjusted net profit

The net profit of the Target Company for the year ended 31 December 2025 was approximately RMB1.1 million. The Royalty Cost of RMB7.8 million was incurred during the same period, which was charged by the Vendor and was not incurred in the ordinary and usual course of business. As such royalty cost will be waived and the Target Company will be permitted to continue using the relevant branding thereafter, the Valuer has added back RMB7.8 million to the net profit of the Target Company for adjustment purposes. In addition, by considering additional optimisation of tax deduction with the PRC tax rate of 25%, the Valuer used a net profit after tax of RMB6.68 million (i.e. item A4 in the Announcement).

Appraised value

After taken into account the Adjusted NAV and the Royalty Cost Waiver, the Valuer used the net book value of RMB72.76 million (i.e. item C4 in the Announcement) and net profit after tax of RMB6.68 million (i.e. item A4 in the Announcement) to calculate the appraised value and got the result of HK\$154 million, which are consistent with the section “INFORMATION ON THE TARGET COMPANY” disclosed in the Announcement after adjustment.

THE BOARD’S ASSESSMENT

In preparation of the Valuation Report, the Valuer has considered the asset approach, the market approach and the income approach, and solely adopted the guideline public company method under the market approach. Given the Target Company’s overhaul of its capital structure via the Debt Restructuring, applying the income approach would rely too heavily on subjective long-term forecasting. The market approach provides a more objective and transparent reflection of how the capital markets currently value PRC retail and supply chain networks.

The Board notes that the Valuer has considered different valuation methodologies and the Board acknowledges the decision to adopt the market approach.

The Board has inquired with the Valuer, among others, the following key areas: (i) the major adjustments on the management account of the Target Company as of 31 December 2024 and 2025 made by the Valuer; (ii) selection criteria, including the basis for selecting the market capitalisation range of the comparable companies at US\$50 million to US\$1.5 billion; (iii) the suitability of the selected comparable companies, including the number and relevance of the comparable companies; (iv) the data sources mentioned in the Valuation Report; (v) the rationale to take average of all market multiples; and (vi) the industry practice for adopting a DLOM of 20%.

The Board has obtained and reviewed the Valuation Report and has understood from the Valuer the source, professionalism, and the reasons, relevance and reliability of the industry data obtained by the Valuer.

To assess the fairness and reasonableness of the selection criteria and the suitability of the market comparables, the Board considers that: (i) the selection criteria were set with comprehensive consideration of the similar business nature of the Target Company, the reliability and representativeness of the comparable companies, and the profitability of the Target Company; (ii) the selection criteria would allow the Valuer to identify companies that operate with similar business mechanics to the Target Group (as disclosed in the section “Comparable Companies”) and that have sufficient information for the purpose of conducting the valuation; and (iii) selecting comparable companies within the market capitalisation range from US\$50 million to US\$1.5 billion can ensure that the comparables have sufficient trading liquidity to reflect a reliable market consensus.

The Board concurs with the Valuer on the selection of the comparable companies. While several of the selected comparable companies are broadly classified as operators of supermarkets, the Board considers their underlying business models, operations and economic drivers to be fundamentally similar to those of the Target Company.

In the modern PRC retail sector, the profitability of both supermarkets and convenience store chains is entirely dictated by the efficiency of their backend operations. As analysed by the Valuer, all selected comparables share the exact same centralised logistics and supply chain framework as the Target Company. They all rely heavily on unified procurement, unified pricing, and unified distribution (including self-built cold-chain and logistics centers) to support the high-frequency, high-volume turnover of daily necessities. They share the same reliance on third-party outsourcing and direct-from-source procurement, rather than self-manufacturing.

The operational boundaries between “supermarkets” and “convenience stores” have become highly blurred. The selected comparables universally adopt a “multi-format” retail strategy (combining hypermarkets, community supermarkets, and convenience stores) that creates high-density regional networks. Regardless of the storefront size, all comparables share a highly overlapping product mix with the Target Company – focusing on FMCG, fresh produce, and pre-packaged foods.

Both the Target Company and the comparables are deeply rooted in community-based, targeting the exact same mass-market demographic for their daily, rigid consumer needs.

Based on the above, the Board considers that the selection of comparable companies is fair and reasonable.

In assessing the reasonableness of adopting an equal weighting of the EV/E, EV/S, and EV/B ratios, it is considered that they are directly related to the Target Company’s business model.

- **EV/E ratio:** This ratio is capital-structure neutral. Given the Target Company’s Debt Restructuring will remove significant liabilities, EV/E ratio allows for a fair comparison of true operational profitability against peers without being skewed by historical debt.
- **EV/S ratio:** The convenience store sector is a high-volume, FMCG-driven business. Applying an EV/S ratio appropriately captures the value of the Target Company’s established market share, store density, and top-line sales volume.

- **EV/B ratio:** Following the Debt Restructuring, the Target Company has a positive Adjusted NAV. Using the EV/B ratio ensures the valuation is firmly anchored to the Target Company's tangible supply chain asset base.

Considering (i) the above considerations; (ii) the Valuer's reasons for taking an average of the specific market multiples (details refer to the section "Market multiples" of this announcement); (iii) it is common industry practice to take an average of the market multiples; and (iv) the Valuer is a qualified independent valuer with extensive experience in the valuation of equity interests in the PRC and Hong Kong, the Board considers that there are no material reasons for disagreeing with the adoption of an equal weighting of the EV/E, EV/S, and EV/B ratios.

In respect of the assumptions adopted by the Valuer, the Board notes that the Valuer relied on, among other things, the management accounts of the Target Company as of 31 December 2024 and 2025. The key assumptions include, among others, that there will be no major changes in the macroeconomic, political, legal, economic or financial conditions and taxation laws in the jurisdiction in which the Target Company currently operates, and that the Target Company will continue to operate on a stable basis. Such assumptions are commonly adopted in valuations of a similar nature. Having reviewed the Valuation Report and the Valuer's responses, the Board considers that no material factors have been identified that would cause the Board to question the fairness and reasonableness of the principal bases and assumptions adopted, or the information used, in the Valuation.

Based on the above, the Board concurs with the Valuer that the market approach is justifiable and the adopted parameters are fair and reasonable.

Also, to evaluate the the terms of the Sale and Purchase Agreement (including the Consideration), the Board has considered the strong macroeconomic indicators and the PRC's policy support for the convenience store and supply chain sectors.

- **Resilient market growth:** According to the National Bureau of Statistics, the PRC's total retail sales of consumer goods reached approximately RMB50.12 trillion in 2025, representing a year-on-year increase of 3.7%. The retail consumption market has maintained a steady compound annual growth trajectory, demonstrating resilient underlying demand. More importantly, recent industry data completely validates the Target Company's growth potential. According to a January 2026 survey released by the China Chain Store and Franchise Association (CCFA) as reported by People's Daily Online, more than 60% of convenience store companies reported year-on-year sales growth in 2025. CCFA is the representative of retailing and franchise industry in the PRC and established in 1997, had around 1600 enterprise members covered in the areas of retail, food and beverage, service providers, suppliers and related organisations. The sector's total number of stores continued to grow, and the industry is successfully shifting its focus toward quality and operational efficiency. These official data prove that the retail and convenience store sector is fundamentally robust, directly supporting the achievability of the Target Company's Guaranteed Profit.

- **National policy tailwinds:** The PRC government has also issued top-tier policies directly benefiting the Target Company’s “Supply Chain + Retail” model. The *Action Plan for Improving the Modern Business and Trade Circulation System* (December 2024) formally integrates convenience stores into the “15-minute community life circles”, explicitly supporting centralised procurement, unified warehousing, and reduced logistics costs. Furthermore, the *Action Plan for Improving Urban Commercial Quality* (October 2025) actively encourages the chain expansion and digitalisation of community convenience stores, paving the way for targeted financial subsidies and tax/fee reductions to lower operating costs.

In the 14th Five-Year Plan, MOFCOM supported construction of “15 minute community life circles”, explicitly about making daily shopping more convenient; officials indicated this approach would carry through into the 15th Five-Year Plan. “The convenience and happiness found in Chinese cities have increasingly amazed overseas tourists” said Sheng Qiuping, Vice Minister of Commerce.

- **Sichuan-Chongqing regional favourable directives:** The Target Company’s operational hub in Sichuan is perfectly positioned to capitalise on the *Outline of the Construction Plan for the Chengdu-Chongqing Economic Circle*. This national strategy aggressively promotes the construction of highly efficient, co-distributed cold-chain logistics networks in the region. Additionally, pursuant to the *Catalogue of Encouraged Industries in the Western Region (2025 Edition)*, the Target Company’s supply chain and community retail operations qualify as encouraged industries, allowing it to potentially enjoy a significantly reduced enterprise income tax rate of 15%, which will directly and substantially enhance net profitability.

To evaluate the Consideration, the Board considers the Consideration as a cost-effective entry price. The Company can enter the convenience stores industry with easier entry as the Vendor will offer operational support and handover for one year following the Completion Date and the Target Company already had relatively comprehensive operating system. Moreover, the Adjusted NAV strictly accounts for tangible assets only. It assigns zero value to the Target Company’s core competitive advantage: its mature “Warehousing + Distribution” supply chain, an active network of over 104 FMCG suppliers, and the established “OurHours” brand presence in the Sichuan market. The 65% premium effectively represents a “time-to-market” acquisition cost, saving the Group years of heavy capital expenditure and early-stage operational losses required to build a localised supply chain from scratch. In the recent future, following the operation with more new franchise stores, these stores are expected to increase the market presence and raise brand awareness of the Target Company in Sichuan-Chongqing regions. Also, the increase in the number of franchise stores will bring the advances of: (i) widen the consumer reach; (ii) reduce management fees as we only need to monitor the stores without directly input staffs and no need to bear all operation expenses; and (iii) increase our revenue from the segment of wholesaling supply chain.

According to the above reasons, the Board’s view that the Acquisition is in the interests of the Company and its shareholders.

Completion is subject to the fulfilment (or waiver) of the Conditions on or before the Long Stop Date. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 17 April 2026

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.

* *for identification purpose only*