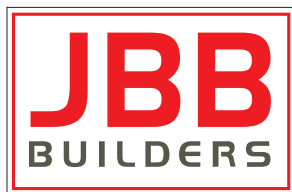


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## **JBB BUILDERS INTERNATIONAL LIMITED**

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

**(Stock Code: 1903)**

### **MAJOR TRANSACTION SETTLEMENT OF OUTSTANDING CONTRACT SUM PAYABLE BY BUKIT PELALI**

#### **MASTER SUPPLEMENTAL AGREEMENT**

On 22 June 2022 (after trading hours), JBB Builders (an indirect wholly-owned subsidiary of the Company), Bukit Pelali and Astaka Padu had entered into the Master Supplemental Agreement, pursuant to which, JBB Builders had conditionally agreed to settle the Outstanding Contract Sum in the total amount of approximately RM59.0 million owed to JBB Builders and payable by Bukit Pelali pursuant to the Contractor Agreements by way of:

- (i) accepting twenty (20) Contra Properties from Astaka Padu by way of contra and set-off; and
- (ii) accepting the Monthly Installments to be paid by Bukit Pelali to JBB Builders.

Upon fulfillment of the payment obligation of Bukit Pelali pursuant to the Payment Arrangement, all claims made or which could be made of whatsoever kind or character which JBB Builders or Bukit Pelali have or had against each other in relation to any breach of contract, claim for compensation or on any other grounds whatsoever in connection with the Contractor Agreement(s) insofar as the Outstanding Contract Sum is concerned shall be deemed to have been fully and finally settled.

## **LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions shall constitute a major transaction of the Company under the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, while Dato' Ng has declared that he was interested in the shares in Astaka Holdings Limited representing approximately 0.2% of its issued share capital, none of the Shareholders and their respective associates has any material interest in the Settlement Transactions. As such, no Shareholder would be required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Settlement Transactions.

As at the date of this announcement, the Company has received written approval from each of JBB Jade and JBB Berlian, being a closely allied group of Shareholders, approving the Settlement Transactions. JBB Jade is one of the Controlling Shareholders holding 181,816,500 Shares (representing approximately 36.36% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Dato' Ng, an executive Director and chairman of the Board, who also beneficially owns 12,432,000 Shares. JBB Berlian is also one of the Controlling Shareholders of the Company holding 161,233,500 Shares (representing approximately 32.25% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Datin Ngooi, a non-executive Director and the spouse of Dato' Ng. Each of JBB Jade, JBB Berlian, Dato' Ng and Datin Ngooi is a party to the confirmatory deed dated 16 May 2018, pursuant to which the parties confirmed, among other things, that they are a group of Controlling Shareholders. In accordance with Rule 14.44(2) of the Listing Rules, the written approval from JBB Jade and JBB Berlian may be accepted in lieu of holding a general meeting of the Shareholders. The Board resolved that no Shareholders' meeting will be convened by the Company to approve the Settlement Transactions.

## **DESPATCH OF CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Settlement Transactions will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 14 July 2022.

## I. SETTLEMENT TRANSACTIONS

The Board wishes to announce that on 22 June 2022 (after trading hours), JBB Builders (an indirect wholly-owned subsidiary of the Company), Bukit Pelali and Astaka Padu had entered into the Master Supplemental Agreement, pursuant to which, JBB Builders had conditionally agreed to settle the Outstanding Contract Sum in the total amount of approximately RM59.0 million owed to JBB Builders and payable by Bukit Pelali under the Contractor Agreements by way of:

- (i) accepting twenty (20) Contra Properties from Astaka Padu by way of contra and set-off; and
- (ii) accepting the Monthly Installments to be paid by Bukit Pelali to JBB Builders.

### I.1 Principal terms of the Master Supplemental Agreement

The principal terms of the Master Supplemental Agreement are set out below:

Date : 22 June 2022 (after trading hours)

Parties : (1) Bukit Pelali;  
(2) Astaka Padu; and  
(3) JBB Builders.

For the background of Bukit Pelali and Astaka Padu, please refer to the section headed “*II. INFORMATION OF BUKIT PELALI AND ASTAKA PADU*” of this announcement.

Subject matter : JBB Builders and Bukit Pelali agreed, acknowledged and confirmed that, subject to any adjustment in the Final Account, the outstanding contract sum remaining payable by Bukit Pelali to JBB Builders as at 31 May 2022 under the Contractor Agreements is approximately RM59.0 million (the “**Outstanding Contract Sum**”), comprising:

- i. approximately RM42.5 million being the contract sum due and payable by Bukit Pelali to JBB Builders for completing certain construction and infrastructure works for the Bukit Pelali Project pursuant to the relevant Contractor Agreements; and

- ii. approximately RM16.5 million being the contract sum payable by Bukit Pelali to JBB Builders for completing certain construction and infrastructure works for the Bukit Pelali Project pursuant to the relevant Contractor Agreements, subject to (i) the issuance of the Final Account; (ii) the expiry of defect liability period for the relevant Contractor Agreements; and (iii) the issuance of the Certificate(s) of Making Good Defects for the relevant Contractor Agreements.

Payment Arrangement : JBB Builders and Bukit Pelali agreed to settle the Outstanding Contract Sum as follows (the “**Payment Arrangement**”):

- i. a sum of approximately RM41.6 million (being approximately 70.6% of the Outstanding Contract Sum) (the “**Contra Properties Settlement Amount**”) shall be paid via the transfer by Astaka Padu of twenty (20) Contra Properties amounting to a total Property Purchase Price of approximately RM41.6 million to JBB Builders or its nominee(s) by way of contra and set-off against the relevant part of the Outstanding Contract Sum on a “Ringgit for Ringgit” basis on the Completion Date; and
- ii. subject to any adjustment in the Final Account (if applicable), a sum of approximately RM17.4 million (being approximately 29.4% of the Outstanding Contract Sum) shall be paid by Bukit Pelali to JBB Builders via twenty two (22) monthly installments (the “**Monthly Installment(s)**”) as follows:
  - (a) For the first six (6) months commencing from the date of the Master Supplemental Agreement, a fixed sum of RM300,000 in cash shall be paid on or before the last day of each month;
  - (b) For the 7<sup>th</sup> month to the 21<sup>st</sup> month, a fixed sum of RM1,000,000 in cash shall be paid on or before the last day of each month; and

- (c) For the 22<sup>nd</sup> month, the remaining balance of approximately RM0.6 million in cash shall be paid on or before the last day of the 22<sup>nd</sup> month in a lump sum; and

JBB Builders and Bukit Pelali agree and covenant that the Monthly Installment(s) will not be due and payable until and unless (i) the relevant Certificate(s) of Making Good Defects has been issued by the relevant authorities or parties; and (ii) JBB Builders having issued its final claim for the relevant Contractor Agreements to Bukit Pelali. In the event both the Certificate(s) of Making Good Defects and the final claim from JBB Builders are not made available to Bukit Pelali at least twenty one (21) days prior to the actual due date of each payment stage referred to as above, Bukit Pelali shall be entitled to withhold the relevant Monthly Installment(s) until the issuance and receipt of the Certificate(s) of Making Good Defects and the final claim from JBB Builders, whereupon Bukit Pelali shall release and pay JBB Builders the accumulated Monthly Installment(s) within sixty (60) days from the date of Bukit Pelali's receipt of both the Certificate(s) of Making Good Defects and the final claim from JBB Builders.

The transfer of each of the twenty (20) Contra Properties shall be effected by Astaka Padu and JBB Builders (or its nominee(s) as the case may be) entering into the relevant Property S&P Agreement. For the principal terms of the Property S&P Agreement, please refer to the section headed "*I.2 Principal terms of the Property S&P Agreement(s)*" of this announcement.

For the details of the Contra Properties, please refer to the section headed "*III.1 The Contra Properties and the Escrow Properties*" of this announcement.

- Adjustment to Outstanding Contract Sum : Bukit Pelali and JBB Builders agree and covenant that the Outstanding Contract Sum shall be adjusted downwards or upwards accordingly by an amount equivalent to the adjusted amount prescribed in the Final Account in which event:
- (a) if the Outstanding Contract Sum is adjusted upwards, the 22<sup>nd</sup> Monthly Installment shall be increased by a sum equivalent to the adjusted amount;
  - (b) if the Outstanding Contract Sum is adjusted downwards, the 22<sup>nd</sup> Monthly Installment shall be reduced by a sum equivalent to the adjusted amount; and
  - (c) any adjustment to be made shall be settled by varying the Monthly Installment(s) in accordance with the Payment Arrangement, and as and when necessary and applicable, the Monthly Installment(s) preceding the 22<sup>nd</sup> Monthly Installment may be adjusted accordingly by mutual agreement of Bukit Pelali and JBB Builders.
- Contra Properties : JBB Builders and Bukit Pelali agree that:
- i. each of the Contra Properties shall be delivered on an “as is where is” basis, free from any encumbrances, with vacant possession and with the Certificate of Completion and Compliance;

- ii. JBB Builders will, at any time after the date of the Master Supplemental Agreement, be entitled at its own cost and expense to present and register a private caveat against the Contra Properties for the purpose of protecting the interest of JBB Builders in the Contra Properties prior to the registration of the transfer or the termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement, provided that JBB Builders shall have executed and delivered a valid and registrable withdrawal of private caveat together with the requisite registration fees for the withdrawal of such private caveat to JBB Builders' solicitors as stakeholders, who shall be authorised to present the same for registration with the relevant land registry upon the termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement;
- iii. the beneficial ownership and legal possession of the Contra Properties shall be delivered by Astaka Padu to JBB Builders or its nominee(s) on the Completion Date notwithstanding the legal ownership of the Contra Properties remains with Astaka Padu, pending the transfer of the original issue documents of strata/individual titles to the Contra Properties by Astaka Padu in favour of JBB Builders or its nominee(s);
- iv. at any time prior to the Completion Date, JBB Builders shall be entitled and has the right to appoint nominee(s) to receive and accept the Contra Properties in place of JBB Builders by giving Bukit Pelali notice(s) in writing of such nomination together with all particulars of the nominee(s); and

- v. the contra and set off of the Contra Properties at the relevant Contra Properties Settlement Amount shall for all intents and purposes be effected on the Completion Date whereupon:
  - (a) the Outstanding Contract Sum shall be reduced by a sum equivalent to the Contra Properties Settlement Amount and a sum equivalent to Contra Properties Settlement Amount shall be deemed paid and settled by Bukit Pelali towards partial settlement of the Outstanding Contract Sum;
  - (b) the Property Purchase Prices of the Contra Properties shall be deemed paid and settled in full by JBB Builders or its nominee(s) to Astaka Padu, and Astaka Padu shall not make any claim against JBB Builders or its nominee(s) for the purchase price payable under the relevant Property S&P Agreement; and
  - (c) Bukit Pelali shall procure Astaka Padu to execute an acknowledgement of receipt of the full purchase price payable for the Contra Properties.

Escrow Properties held by JBB Builders' solicitors in escrow as security for Bukit Pelali's payment obligation : As security for compliance by Bukit Pelali of its payment obligation in respect of the Monthly Installments, Bukit Pelali agreed and covenanted that it shall procure Astaka Padu to deliver the Property Transfer Documents and Property S&P Agreement(s) in respect of the Escrow Properties to JBB Builders' solicitors upon the execution of the Master Supplemental Agreement to hold in escrow as security for the settlement of the Monthly Installments in accordance with the Payment Arrangement.



Adjustment mechanism on the number of Escrow Properties : (a) Right to request for release of the Escrow Properties

Bukit Pelali shall, subject to JBB Builders' prior written consent, be entitled to withdraw one or more of the Escrow Properties, from being part of the security to the Monthly Installment(s) in the event the cumulative Monthly Installment(s) made by Bukit Pelali to JBB Builders pursuant to the Payment Arrangement shall be equivalent to or exceed the Property Purchase Price of the subject Escrow Properties requested to be withdrawn by Bukit Pelali. JBB Builders shall, within fourteen (14) days from its receipt of Bukit Pelali's request in writing inform Bukit Pelali whether it is agreeable to such withdrawal, and immediately thereafter release and return the Property Transfer Documents and Property S&P Agreement(s) in respect of the subject Escrow Properties to Bukit Pelali should JBB Builders be agreeable to such withdrawal, provided always that the reassessment of the value of the Escrow Properties shall be conducted every June and December of each calendar year until the Monthly Installments is fully repaid, by an independent certified valuer appointed by JBB Builders, at its own cost and expense, whose valuation on the Escrow Properties shall, in the absence of any manifest error, be referred to by both JBB Builders and Bukit Pelali in determining the prevailing price of each Escrow Property.

In the event Bukit Pelali wishes to withdraw one or more of the Additional Escrow Property(ies) from being part of the security to the Monthly Installment(s), the above provision shall apply *mutatis mutandis*.

(b) Right to require Additional Escrow Property(ies)

In the case that the cumulative value of the Escrow Properties is less than the remaining amount of Monthly Installment(s) payable by Bukit Pelali to JBB Builders,

- (i) JBB Builders shall have the right and is entitled to obtain additional properties to be held by JBB Builders' solicitors in escrow (the "**Additional Escrow Property(ies)**") pending the settlement of the Monthly Installment(s). The Additional Escrow Property(ies) shall (a) be agreed upon by JBB Builders; (b) with the price to be mutually determined by Bukit Pelali and JBB Builders after making reference to the valuation(s) conducted by an independent certified valuer appointed by JBB Builders, at its own cost and expense; and (c) have a minimum cumulative value equivalent to or exceeding the difference in value between the remaining amount of the Monthly Installment(s) payable by Bukit Pelali to JBB Builders and the cumulative agreed value of the remaining Escrow Properties; and
- (ii) Bukit Pelali shall procure the owner of the Additional Escrow Property(ies) to deliver the Property Transfer Documents and Property S&P Agreement in respect of the Additional Escrow Property(ies) to JBB Builders' solicitors within seven (7) days from Bukit Pelali's receipt of a notice in writing from JBB Builders agreeing to such identified Additional Escrow Property(ies) to hold in escrow as security for the settlement of the Monthly Installment(s).

- JBB Builders' right to register caveat against Escrow Properties and Additional Escrow Property(ies) : JBB Builders will, at any time after the date of the Master Supplemental Agreement, be entitled at its own cost and expense to present and register a lienholder's caveat against the Escrow Properties and the Additional Escrow Property(ies) (if applicable) as security for the settlement of the Monthly Instalments, provided that JBB Builders shall have executed and delivered the prescribed requisite notice in writing together with the requisite registration fees for the withdrawal of such lienholder's caveat to JBB Builders' solicitors as stakeholders, who shall be authorised to present the same for registration with the relevant land registry upon (i) the withdrawal of the relevant Escrow Properties and the Additional Escrow Property(ies) (if applicable); (ii) the full and final payment of the Monthly Instalments; and (iii) termination of the Master Supplemental Agreement in accordance with the provisions of the Master Supplemental Agreement.
- Enforcement of the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) : In the event of a three-consecutive defaults in payment of the Monthly Installments after the same shall have become due (whether demanded or not), JBB Builders shall be entitled,
- (i) by giving a written notice to Bukit Pelali, to present the Property Transfer Documents of the relevant Escrow Property(ies) and Additional Escrow Property(ies) (if applicable) having a total Property Purchase Price equivalent to the aggregate outstanding Monthly Installments in default for registration of transfer of the relevant Escrow Property(ies) and Additional Escrow Property(ies) (if applicable) in favour of JBB Builders or its nominee(s) at the relevant land registry. Following the issuance of the aforesaid written notice to Bukit Pelali by JBB Builders, an amount equivalent to the outstanding Monthly Installments in default shall be deemed paid and settled in full by Bukit Pelali to JBB Builders; and

- (ii) to create charges over the remaining Escrow Properties and Additional Escrow Property(ies) (if applicable) having a total Property Purchase Price equivalent to or not less than the aggregate outstanding Monthly Instalments which remains to be payable by Bukit Pelali in accordance with the Payment Arrangement, at its own cost and expense.

Release of the Property Transfer Documents upon fulfilment of payment obligation by Bukit Pelali : JBB Builders shall, within fourteen (14) days after Bukit Pelali having fulfilled its payment obligations in respect of the last Monthly Installment pursuant to the Payment Arrangement, return and release all the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) held by JBB Builders' solicitors as at that date, to Bukit Pelali, whereupon neither JBB Builders, Bukit Pelali nor Astaka Padu shall have any further obligation in respect of the Escrow Properties and Additional Escrow Property(ies) and Bukit Pelali and Astaka Padu shall be entitled to deal with such Escrow Properties and Additional Escrow Property(ies) at its sole and absolute discretion.

Conditions precedent : The Payment Arrangement under the Settlement Transactions are conditional upon:

- i. Astaka Holdings Limited having obtained the consent and/or approval from its shareholders and where applicable, the Singapore Exchange for, amongst others, the settlement arrangement of the Outstanding Contract Sum in accordance with the terms and conditions of the Master Supplemental Agreement (including the execution of the Property S&P Agreement(s)) on or before the Long Stop Date; and
- ii. the Company having obtained the consent and/or approval from the Shareholders and, where applicable, the Stock Exchange in respect of the Settlement Transactions on or before the Long Stop Date;

if any of the conditions precedent shall have not been obtained or fulfilled on or before the Long Stop Date, then either JBB Builders or Bukit Pelali shall be entitled to terminate the Master Supplemental Agreement by giving a notice of termination to that effect to the other party and Astaka Padu,

- i. whereupon any Monthly Installment(s) paid by Bukit Pelali as at the date of the notice of termination shall be deemed to be made by Bukit Pelali pursuant to the terms of the respective Contractor Agreement(s) and thereafter, the rights and liabilities of JBB Builders and Bukit Pelali pursuant to the Contractor Agreement(s) shall remain and prevail, and JBB Builders, Bukit Pelali and Astaka Padu shall not have any further rights under the Master Supplemental Agreement except in respect of (i) any obligation under the Master Supplemental Agreement which is expressed to apply after termination; and (ii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Master Supplemental Agreement to any party prior to such termination; and
- ii. JBB Builders shall be entitled to exercise all its rights and remedies provided under the applicable laws to recover the remaining Outstanding Contract Sum, less an amount equivalent to the Monthly Installment(s) paid as at the date of the notice of termination, due and payable by Bukit Pelali.

Representations and warranties : JBB Builders, Bukit Pelali and Astaka Padu represented and warranted to each other that the following representations and warranties are true and correct in all respects as at the date of the Master Supplemental Agreement and shall be true and correct throughout the subsistence of the Master Supplemental Agreement and up to the full and final settlement of the Outstanding Contract Sum with the same force and effect as if they had been made as at that later date in the circumstances then existing:

- i. it is a company duly incorporated and existing under, and by virtue of, the laws of Malaysia and it has not been placed under receivership and there are no steps being commenced and/or instituted by any person to place it under receivership; and it has not been wound-up and is a going concern and there are no winding-up proceedings being commenced and/or instituted by any person against it;
- ii. the respective facts set out in the Master Supplemental Agreement in relation to Bukit Pelali, Astaka Padu and JBB Builders are true and correct;
- iii. it has the full power to enter into and carry out the provisions of the Master Supplemental Agreement; and
- iv. the Master Supplemental Agreement constitutes the valid and binding obligation of the party enforceable in accordance with its terms.

Bukit Pelali also warranted to JBB Builders that the following warranties and representations are to the best of the knowledge and belief of Bukit Pelali true and accurate in all respects as at the date of the Master Supplemental Agreement and shall be true and accurate in all respects throughout the subsistence of the Master Supplemental Agreement and up to the full and final settlement of the Outstanding Contract Sum with the same force and effect as if they had been made as at that later date in the circumstances then existing:

- i. Astaka Padu is the registered and beneficial owner of the Contra Properties and the Escrow Properties and is absolutely entitled to transfer the Contra Properties and the Escrow Properties to JBB Builders or its nominee(s). Astaka Padu will not after the date of the Master Supplemental Agreement sell, dispose, charge, mortgage, assign, transfer or in any manner whatsoever encumber, deal with or part with possession of the Contra Properties and the Escrow Properties or create or permit to be created any lien over the Contra Properties and the Escrow Properties;
- ii. none of the Contra Properties and the Escrow Properties are reserved for Malaysians or Bumiputeras only;
- iii. the Contra Properties and the Escrow Properties are free from all encumbrances and the Contra Properties and the Escrow Properties will up to the full and final settlement of the Outstanding Contract Sum pursuant to the terms of the Master Supplemental Agreement be free from all encumbrances; there is no previous sale and purchase agreement(s) for the sale of the Contra Properties and the Escrow Properties which remains subsisting; and Astaka Padu has not granted and will not after the date of the Master Supplemental Agreement grant any easement, right of way or use, or any other similar right in respect of the Contra Properties and the Escrow Properties to any person, firm, company or authority other than JBB Builders or its nominee(s);

- iv. Astaka Padu has not received any notices, from any federal, state, local government authority or statutory board which remain outstanding and which will or may prejudice or adversely affect the present or continued use and enjoyment by Astaka Padu or its successors-in-title of the Contra Properties and the Escrow Properties or which will or may subject Astaka Padu or its successors-in-title to any onerous charge or liability, and Bukit Pelali shall procure Astaka Padu to immediately give notice to JBB Builders of any such notices, orders or requirements Astaka Padu receives from any federal, state, local government authority or statutory board at any time after the date of the Master Supplemental Agreement; and
- v. to the best knowledge of Bukit Pelali, (i) there is no pending or threatened suit, legal proceedings, claim or bankruptcy proceedings against Astaka Padu which may affect in any way the rights of Astaka Padu in relation to the Contra Properties and the Escrow Properties, and Bukit Pelali will not do anything which might give rise to any legal proceedings or claims against Bukit Pelali or Astaka Padu or which may affect in any way the rights of Astaka Padu or JBB Builders or its nominee(s) in relation to the Contra Properties and the Escrow Properties; and (ii) the Contra Properties and the Escrow Properties are not subject to any acquisition proceedings and no acquisition proceedings are pending in respect thereof.

Termination of  
the Master  
Supplemental  
Agreement

: In the event that:

- i. either JBB Builders, Bukit Pelali or Astaka Padu is or becomes, or is adjudicated or found to be, wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it; or
- ii. any of the warranties given by JBB Builders, Bukit Pelali or Astaka Padu is found at any time to be materially untrue or inconsistent,



JBB Builders, Bukit Pelali or Astaka Padu may, at any time while any such circumstance subsists, be at liberty to give a notice of termination to the other parties for the purpose of terminating the Master Supplemental Agreement.

Within fourteen (14) days of such notice of termination being duly given, JBB Builders shall:

- i. return and redeliver to Bukit Pelali the Property Transfer Documents in respect of the Properties which have yet to be transferred to JBB Builders or its nominee(s) pursuant to the Master Supplemental Agreement, as the case may be, together with the relevant Property S&P Agreement(s) (if applicable); and
- ii. re-deliver to Astaka Padu and the owner of Additional Escrow Property(ies), as the case may be, vacant possession of the Properties, if the same have been delivered to JBB Builders or its nominee(s) at any time prior to the Completion or the enforcement of the Property Transfer Documents in respect of the Escrow Properties and Additional Escrow Property(ies) in accordance with the terms of the Master Supplemental Agreement; and
- iii. remove and withdraw all caveats, charges and other encumbrances entered or caused to be entered by JBB Builders over the Properties,

and whereupon JBB Builders shall be entitled to exercise all its rights and remedies to recover the remaining Outstanding Contract Sum due and payable by Bukit Pelali as at the date of the notice of termination.

Full and final settlement : JBB Builders and Bukit Pelali agreed that the Master Supplemental Agreement is in compromise and full and final settlement between JBB Builders and Bukit Pelali of all claims of whatever nature, howsoever arising, for or in connection with any complaint(s), claim(s) and/or proceeding(s) in respect of the Outstanding Contract Sum. Upon fulfillment of the payment obligation of Bukit Pelali pursuant to the Payment Arrangement, all claims made or which could be made of whatsoever kind or character which JBB Builders or Bukit Pelali have or had against each other in relation to any breach of contract, claim for compensation or on any other grounds whatsoever in connection with the Contractor Agreement(s) insofar as the Outstanding Contract Sum is concerned shall be deemed to have been fully and finally settled.

## **I.2 Principal terms of the Property S&P Agreement(s)**

The principal terms of the Property S&P Agreement(s), each of which are substantially identical with each other save for the subject Properties, are set out below:

Parties : (1) Astaka Padu or owner of the Additional Escrow Property(ies) (as the vendor) (the “**Relevant Vendor**”); and  
(2) JBB Builders or its nominee(s) (as the purchaser) (the “**Relevant Purchaser**”).

For the background of Astaka Padu, please refer to the section headed “*II. INFORMATION OF BUKIT PELALI AND ASTAKA PADU*” of this announcement.

Subject matter : The Relevant Vendor shall sell and the Relevant Purchaser shall purchase the relevant Property at the relevant Property Purchase Price free from any agricultural or industrial conditions expressed or implied and all encumbrances and any conditions expressed or implied affecting the separate strata title to the relevant Property.

- Default by vendor : In the event of any breach by the Relevant Vendor of any of the material provisions of the Property S&P Agreement, the Relevant Purchaser shall be entitled to the remedy of specific performance against the Relevant Vendor provided always that nothing in the Property S&P Agreement shall be construed in any way so as to prejudice any other rights or remedies which the Relevant Purchaser may be entitled to against the Relevant Vendor.
- Separate strata title and transfer of title : The Relevant Vendor has, at its own cost and expense, obtained the issue document of separate title to the relevant Property under the Strata Title Act 1985 of Malaysia.
- Vendor's representations and warranties : The Relevant Vendor shall represent and warrant that:
- i. the statements contained in the recitals to the relevant Property S&P Agreement are true and correct and form the basis of the relevant Property S&P Agreement;
  - ii. it has the power and rights to sell the relevant Property to the Relevant Purchaser;
  - iii. it has no knowledge of any outstanding notices of any relevant government authority adversely affecting the relevant Property or any part or portion thereof; and
  - iv. it has not received any notice nor is it aware of any intended acquisition under the Land Acquisition Act 1960 of Malaysia of the relevant Property or any part thereof that the same is not subject to acquisition or intended acquisition by any government, statutory, urban or municipal authority and that no advertisement in the government gazette of such intention has been published pursuant to the Land Acquisition Act 1960 of Malaysia.

For the avoidance of doubt, the relevant Property Purchase Price in respect of the Contra Properties shall be settled by way of contra and set off against part of the Outstanding Contract Sum to be effected on the Completion Date whereupon:

- (a) the Outstanding Contract Sum shall be reduced by a sum equivalent to the Contra Properties Settlement Amount and Bukit Pelali shall be regarded to have paid JBB Builders a sum equivalent to Contra Properties Settlement Amount towards partial settlement of the Outstanding Contract Sum; and
- (b) JBB Builders or its nominee(s) shall be regarded to have paid Astaka Padu in full the Property Purchase Price and Bukit Pelali and Astaka Padu shall not make any claim against JBB Builders or its nominee(s) for the purchase price payable under the relevant Property S&P Agreement.

### **I.3 Consideration and the basis of determination of the consideration**

The consideration in respect of the Master Supplemental Agreement was arrived at after arm's length negotiation between JBB Builders and Bukit Pelali, which involved an exchange of consideration between JBB Builders and Bukit Pelali whereby Bukit Pelali had:

- (A) agreed, covenanted and undertaken to settle the Outstanding Contract Sum in accordance with the Payment Arrangement, which involved:
  - (i) settlement of the Contra Properties Settlement Amount with the Contra Properties; and
  - (ii) settlement of the remaining Outstanding Contract Sum by the Monthly Installments.

In exchange of which, JBB Builders had conditionally agreed to set off the Outstanding Contract Sum in the total amount of approximately RM59.0 million, being trade receivables and contract assets due from Bukit Pelali pursuant to the Contractor Agreements.

For the basis of determination on the valuation of the Properties, please refer to the section headed "*III.2 Valuation for the Properties*" of this announcement.

## **II. INFORMATION OF BUKIT PELALI AND ASTAKA PADU**

Bukit Pelali is a company incorporated in Malaysia which principally engages in the business of property development. It is a joint venture company which is owned approximately 51% by Astaka Padu and approximately 49% by Saling Syabas. Saling Syabas is a company incorporated in Malaysia which principally engages in land development and real estate activities. Saling Syabas is legally and beneficially owned entirely by Dato' Daing A Malek Bin Daing A Rahaman. Bukit Pelali is formed as

a special purpose vehicle in respect of the Bukit Pelali Project, which is a property development project of “Bukit Pelali @ Pengerang” developed by Bukit Pelali, being a 363-acre strata township located in south-eastern Johor to comprise residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station, with JBB Builders having been appointed as the main contractor to undertake various building and infrastructure works pursuant to the Contractor Agreements.

Astaka Padu is a company incorporated in Malaysia which principally engages in the business of property development. It is a 99.99% indirectly owned subsidiary of Astaka Holdings Limited, a company whose shares are listed on the Catalist Board of the Singapore Exchange.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Bukit Pelali and Astaka Padu and its respective ultimate beneficial owners is an Independent Third Party of the Group and its connected persons.

### **III. INFORMATION OF THE PROPERTIES AND THE VALUATION OF THE PROPERTIES**

#### **III.1 The Contra Properties and the Escrow Properties**

The Contra Properties and the Escrow Properties consist of twenty (20) and nine (9) separate residential apartments from the Astaka Project located in the Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia, with a total Property Purchase Price of approximately RM41.6 million and RM20.6 million respectively. The Contra Properties have a built-up area ranging from approximately 2,207 square feet to 2,659 square feet and Property Purchase Price ranging from approximately RM1.8 million to RM2.4 million. The Escrow Properties have a built-up area ranging from approximately 2,217 square feet to 2,659 square feet and Property Purchase Price ranging from approximately RM1.8 million to RM2.4 million.

According to publicly available information and as represented by Astaka Padu, the Astaka Project is developed by Astaka Padu and is a mixed development comprising (i) residential towers; and (ii) the headquarters of the Johor Bahru City Council, Menara MBBJ with phase 3 @ One Bukit Senyum to comprise a five-star hotel, branded residences, serviced apartments, an entertainment hub and an office tower. As represented by Astaka Padu in the respective Property S&P Agreements concerning the Contra Properties and the Escrow Properties, Astaka Padu is the registered proprietor of each of the Contra Properties and the Escrow Properties and the construction of the relevant Contra Properties and the Escrow Properties has been completed and the Certificates of Completion and Compliance has been issued.

### **III.2 Valuation for the Properties**

The total value of the twenty (20) Contra Properties shall be approximately RM41.6 million which shall be equal to the Contra Properties Settlement Amount, being part of the agreed settlement amount of the Outstanding Contract Sum. The total value of the nine (9) Escrow Properties shall be approximately RM20.6 million which exceeds the total amount of the Monthly Installments by approximately RM3.2 million.

The value of each of the Properties was determined after arm's length negotiation between JBB Builders and Bukit Pelali with reference to, among other things:

- (i) the current market selling prices of the balance units of the Astaka Project (as the case may be);
- (ii) the preliminary valuation conducted by an independent valuer on the Properties, with the market value of the Contra Properties of approximately RM42.2 million and Escrow Properties of approximately RM19.7 million as at 19 April 2022; and
- (iii) the discount of the current market selling prices of the Properties mutually agreed between JBB Builders and Bukit Pelali.

### **IV. FINANCIAL IMPLICATION OF THE SETTLEMENT TRANSACTIONS**

As at 30 April 2022, loss allowance on trade receivables and contract assets owing from Bukit Pelali of approximately RM14.8 million have been recognised. Upon entering into the Master Supplemental Agreement, allowance for impairment loss on trade receivables and contract assets of approximately RM11.2 million as of 30 April 2022 will be reversed and imputed interest expense of approximately RM1.0 million will be recognised.

Upon completion of the transfer of the Contra Properties on the Completion Date, trade receivables of approximately RM41.6 million will be set off by the recognition of non-current deposits paid for acquisition of investment properties for the transfer of the Contra Properties of approximately RM41.6 million measured at carrying value. It will be recognised as investment properties after the transfer of the title of the Contra Properties subject to fair value measurement with impact reflected in profit or loss in future. The recognition of allowance for impairment loss on trade receivables and contract assets in connection with such trade receivables of approximately RM3.1 million as of 30 April 2022 will be further reversed.

Trade receivables and contract assets owing from Bukit Pelali of approximately RM17.4 million in aggregate will be cleared upon the settlement of Monthly Installments by Bukit Pelali under the Master Supplemental Agreement. The recognition of allowance for impairment loss on trade receivables and contract assets in connection with such trade receivables and contract assets of approximately RM0.5 million as of 30 April 2022 will be reversed thereafter.

It is estimated that the Group will incur cost of approximately RM2.8 million in connection with the Settlement Transactions which included stamp duty on memorandum of transfer, legal fees and professional fees.

Save as disclosed above, the Board considers that there will be no material adverse impact on (a) the financial position and earnings, and (b) the business and operation, of the Group associated with the Settlement Transactions.

## **V. REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT TRANSACTIONS**

The Settlement Transactions were entered into as Bukit Pelali is unable to settle the outstanding trade receivables and contract assets on schedule, it is mutually agreed between JBB Builders and Bukit Pelali that the Contra Properties owned by Astaka Padu, a shareholder of Bukit Pelali holding approximately 51% of its share capital, are to be transferred to JBB Builders as partial settlement of the outstanding trade receivables and contract assets, while Escrow Properties owned by Astaka Padu are to be held on escrow by JBB Builders as security until full payment of the Monthly Installments.

The Directors are of the view that by entering into the Settlement Transactions, the Group shall (i) immediately cease to be exposed to part of the credit risk associated with the Outstanding Contract Sum by settling the Contra Properties Settlement Amount with the transfer of the Contra Properties; and (ii) cease to be exposed to the rest of the credit risk associated with the Outstanding Contract Sum with cash payment from Bukit Pelali in an orderly manner, which will improve the financial position of the Group in the future.

As of the date of this announcement, the Board had approved the terms of the Master Supplemental Agreement and the Settlement Transactions, and considered the terms and the transactions being fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **VI. GENERAL INFORMATION OF JBB BUILDERS AND THE COMPANY**

JBB Builders is a company incorporated in Malaysia with limited liability on 4 May 1996 and an indirect wholly-owned subsidiary of our Company. It mainly engages in the business of marine construction, building and infrastructure services and trading of marine gas oil.

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange.

## **VII. LISTING RULES IMPLICATION**

As the highest applicable percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions shall constitute a major transaction of the Company under the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, while Dato' Ng has declared that he was interested in the shares in Astaka Holdings Limited representing approximately 0.2% of its issued share capital, none of the Shareholders and their respective associates has any material interest in the Settlement Transactions. As such, no Shareholder would be required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Settlement Transactions.

As at the date of this announcement, the Company has received written approval from each of JBB Jade and JBB Berlian, being a closely allied group of Shareholders, approving the Settlement Transactions. JBB Jade is one of the Controlling Shareholders holding 181,816,500 Shares (representing approximately 36.36% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Dato' Ng, an executive Director and chairman of the Board, who also beneficially owns 12,432,000 Shares. JBB Berlian is also one of the Controlling Shareholders of the Company holding 161,233,500 Shares (representing approximately 32.25% of the entire issued share capital of the Company), with the entire issued Share capital of which being owned directly by Datin Ngooi, a non-executive Director and the spouse of Dato' Ng. Each of JBB Jade, JBB Berlian, Dato' Ng and Datin Ngooi is a party to the confirmatory deed dated 16 May 2018, pursuant to which the parties confirmed, among other things, that they are a group of Controlling Shareholders. In accordance with Rule 14.44(2) of the Listing Rules, the written approval from JBB Jade and JBB Berlian may be accepted in lieu of holding a general meeting of the Shareholders. The Board resolved that no Shareholders' meeting will be convened by the Company to approve the Settlement Transactions.



## VIII. DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Settlement Transactions will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 14 July 2022.

***The Payment Arrangement (including the transfer of the Contra Properties) under the Settlement Transactions is subject to the satisfaction of the conditions precedent and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.***

## IX. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Additional Escrow Property(ies)”	having the meaning ascribed to it under the section headed “I.1 Principal terms of the Master Supplemental Agreement” of this announcement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Astaka Holdings Limited”	Astaka Holdings Limited, a company incorporated in the Republic of Singapore, whose shares are listed on the Catalist Board of the Singapore Exchange, being the indirect holding company of Astaka Padu;
“Astaka Padu”	Astaka Padu Sdn. Bhd., a company incorporated in Malaysia on 14 June 1993 which engages in property development and a 99.99% indirectly owned subsidiary of Astaka Holdings Limited whose shares are listed on the Catalist Board of the Singapore Exchange, being a party to the Master Supplemental Agreement and Property S&P Agreement(s);
“Astaka Project”	the property development project of “Astaka @ One Bukit Senyum” developed by Astaka Padu, being a mixed development comprising (i) residential towers; and (ii) the headquarters of the Johor Bahru City Council, Menara MBBJ with phase 3 @ One Bukit Senyum to comprise a five-star hotel, branded residences, serviced apartments, an entertainment hub and an office tower;
“Board”	the board of Directors;

“Bukit Pelali”	Bukit Pelali Properties Sdn. Bhd., a company incorporated in Malaysia, being a joint venture whose total issued share capital is owned indirectly as to approximately 51% by Astaka Holdings Limited and approximately 49% by Saling Syabas, being a party to the Master Supplemental Agreement;
“Bukit Pelali Project”	the property development project of “Bukit Pelali @ Pengerang” developed by Bukit Pelali, being a 363-acre strata township located in south-eastern Johor comprising residential units, shop offices, a clubhouse, hotel, private hospital, mart, school, mosque, food and beverage hub and petrol station, with JBB Builders having been appointed as the main contractor to undertake various building and infrastructure work pursuant to the Contractor Agreements;
“Certificate of Completion and Compliance”	the certificate of completion and compliance given or granted under the Street, Drainage and Building Act 1974 (Act 133) and any by-laws made under that act certifying that the housing accommodation has been completed and is safe and fit for occupation;
“Certificate(s) of Making Good Defects”	the certificate(s) of making good defects to be issued by the architect or superintending officer in Malaysia certifying that the contractor has made good all defects;
“Company”	JBB Builders International Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“Completion”	(a) the execution of the Property S&P Agreements in respect of the Contra Properties for the purpose of transferring the Contra Properties from Astaka Padu to JBB Builders or its nominee(s); and (b) the delivery of the beneficial ownership and legal possession of the Contra Properties by Astaka Padu to JBB Builders or its nominee(s) pursuant to the provisions of the Master Supplemental Agreement;
“Completion Date”	the business day (as defined under the Master Supplemental Agreement) falling 7 days from the Unconditional Date, or such other date as Bukit Pelali and JBB Builders may mutually agree upon in writing upon which Completion is to take place;

“Contractor Agreement(s)”	for the purpose of this announcement, means the thirteen (13) letters of award and the supplemental agreements thereto entered into between Bukit Pelali as the property developer and JBB Builders as the main contractor, whereby JBB Builders had been appointed as the main contractor to undertake various construction and infrastructure works for the Bukit Pelali Project, and such other documents and contracts issued or signed between Bukit Pelali and JBB Builders in connection with the Bukit Pelali Project;
“Contra Properties”	a total of twenty (20) properties to be conditionally transferred to JBB Builders or its nominee(s) by way of contra and set off pursuant to the Master Supplemental Agreement, the details of which are disclosed in the section headed “ <i>III.1 The Contra Properties and the Escrow Properties</i> ” of this announcement;
“Contra Properties Settlement Amount”	having the meaning ascribed to it under the section headed “ <i>I.1 Principal terms of the Master Supplemental Agreement</i> ” of this announcement;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise refers to the controlling shareholders of the Company;
“Datin Ngooi”	Datin Ngooi Leng Swee, a non-executive Director, the spouse of Dato’ Ng and one of the Controlling Shareholders;
“Dato’ Ng”	Dato’ Ng Say Piyu, an executive Director, chairman of the Board, the spouse of Datin Ngooi and one of the Controlling Shareholders;
“Director(s)”	the directors of the Company;
“Escrow Properties”	a total of nine (9) properties to be held in escrow by JBB Builders’ solicitors as security pursuant to the Master Supplemental Agreement, the details of which are disclosed in the section headed “ <i>III.1 The Contra Properties and the Escrow Properties</i> ” of this announcement;

“Final Account”	final account(s) in respect of the amounts payable by Bukit Pelali to JBB Builders under eight (8) of the Contractor Agreements which are to be finalised and subject to adjustment;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China;
“Independent Third Party(ies)”	a person(s) or company(ies) who/which is or are independent of and not connected with the Group or any of their respective associates within the meaning of the Listing Rules;
“JBB Berlian”	JBB Berlian Investment Limited, a company incorporated in the British Virgin Islands with limited liability on 17 April 2018 and the entire issued share capital of which is owned by Datin Ngooi;
“JBB Builders”	JBB Builders (M) Sdn. Bhd., a company incorporated in Malaysia with limited liability on 4 May 1996 and an indirect wholly-owned subsidiary of the Company;
“JBB Jade”	JBB Jade Investment Limited, a company incorporated in the British Virgin Islands with limited liability on 17 April 2018 and the entire issued share capital of which is owned by Dato’ Ng;
“Johor”	the State of Johor, a Malaysian state located in the southern region of peninsular Malaysia and adjacent to Singapore;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Long Stop Date”	31 August 2022, or such other date as JBB Builders and Bukit Pelali may mutually agree in writing;
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the option market;

“Master Supplemental Agreement”	the agreement dated 22 June 2022 entered into between JBB Builders, Bukit Pelali and Astaka Padu in respect of the settlement of the Outstanding Contract Sum, the principal terms of which are disclosed in the section headed “ <i>I.1 Principal terms of the Master Supplemental Agreement</i> ” of this announcement;
“Monthly Installment(s)”	having the meaning ascribed to it under the section headed “ <i>I.1 Principal terms of the Master Supplemental Agreement</i> ” of this announcement;
“Outstanding Contract Sum”	having the meaning ascribed to it under the section headed “ <i>I.1 Principal terms of the Master Supplemental Agreement</i> ” of this announcement;
“Payment Arrangement”	having the meaning ascribed to it under the section headed “ <i>I.1 Principal terms of the Master Supplemental Agreement</i> ” of this announcement;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“Property(ies)”	the Contra Properties, the Escrow Properties and/or Additional Escrow Property(ies);
“Property Purchase Price(s)”	the net purchase price for the Properties;
“Property S&P Agreement(s)”	the conditional sale and purchase agreement proposed to be entered into between Astaka Padu or the relevant owner of the Property(ies) as the vendor and JBB Builders or its nominee(s) as the purchaser in respect of the transfer of the Contra Properties (and where applicable, the Escrow Properties and Additional Escrow Property(ies)), the principal terms of which are disclosed in the section headed “ <i>I.2 Principal terms of the Property S&amp;P Agreement(s)</i> ” of this announcement;

“Property Transfer Documents”	for the purpose of the Master Supplemental Agreement and this announcement, means collectively: (i) a valid and registrable but undated memorandum of transfer in Form 14A of the National Land Code (Act 56 of 1965) of Malaysia or such other prescribed statutory form, in respect of the relevant Properties, duly completed and executed by Astaka Padu or owner of Additional Escrow Property(ies) with the details of the transferee being left blank; (ii) the original issue documents of strata/individual titles to the relevant Properties; (iii) the offer form of purchase of the relevant Properties, duly completed and executed by Astaka Padu or owner of Additional Escrow Property(ies) with the details of the transferee being left blank; (iv) the quit rent and assessment receipts in respect of the relevant Properties for the current year; and (v) the certified true copies company secretarial documents of Astaka Padu or owner of Additional Escrow Property(ies);
“Relevant Purchaser”	having the meaning ascribed to it under the section headed “ <i>I.2 Principal terms of the Property S&amp;P Agreement(s)</i> ” of this announcement;
“Relevant Vendor”	having the meaning ascribed to it under the section headed “ <i>I.2 Principal terms of the Property S&amp;P Agreement(s)</i> ” of this announcement;
“RM” or “Ringgit”	Ringgit Malaysia, the lawful currency of Malaysia;
“Saling Syabas”	Saling Syabas Sdn. Bhd., a company incorporated in Malaysia and a shareholder holding approximately 49% of the total issued share capital of Bukit Pelali;
“Settlement Transactions”	the Master Supplemental Agreement; the Property S&P Agreement(s) and the transactions as contemplated thereunder;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Singapore Exchange”	The Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Unconditional Date”	the date upon which all the conditions precedent set out in the Master Supplemental Agreement have been obtained and fulfilled by the Long Stop Date and whereupon the Master Supplemental Agreement becomes unconditional; and
“%”	percent.

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

22 June 2022

*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.*