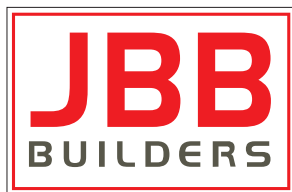


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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1903)

ANNOUNCEMENT ON REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS WITH SOUTHERN DIGGERS

Reference is made to the Southern Diggers Subcontract Agreements and Southern Diggers First Supplementary Agreements entered into between JBB Builders, an indirect wholly-owned subsidiary of the Company, and Southern Diggers in relation to the Infrastructure Works Phrase 1B with original contract sum of RM10,590,464.70 and Infrastructure Works Phrase 2A&2B with original contract sum of RM16,819,227.39, details of which are disclosed in the prospectus of the Company dated 25 April 2019 and 2019 annual report.

In view of the delay of the progress of the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B due to the suspension and postponement of the scheduled Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B as a result of the delay on the completion of building works of the same area, the outbreak of the coronavirus COVID-19 and the Restriction of Movement Order enforced by Malaysia government since 18 March 2020, on 29 June 2020 (after trading hours), JBB Builders entered into Southern Diggers Second Supplementary Agreements with Southern Diggers to (i) extend the terms of the Southern Diggers Subcontract Agreements and Southern Diggers First Supplementary Agreements; and (ii) revision of the annual cap for the year ending 30 June 2021 in relation to the services of Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B, which constituted continuing connected transactions of the Company under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WITH KIMLUN

Reference is made to the Kimlun Subcontract Agreement and Kimlun First Supplementary Agreement entered into between JBB Builders and Kimlun in relation to the Main Building Works with original contract sum of RM35,850,554.78, details of which are disclosed in the prospectus of the Company dated 25 April 2019 and 2019 annual report.

In view of the delay of the progress of the Main Building Works due to the suspension and postponement of the scheduled Main Building Works as a result of the delay on the completion of the mechanical and electrical works, the outbreak of the coronavirus COVID-19 and the Restriction of Movement Order enforced by Malaysia government since 18 March 2020, on 29 June 2020 (after trading hours), JBB Builders entered into Kimlun Second Supplementary Agreement with Kimlun to (i) extend the terms of Kimlun Subcontract Agreement and Kimlun First Supplementary Agreement; and (ii) revision of the annual cap for the year ending 30 June 2021 in relation to the service of Main Building Works, which constituted continuing connected transactions of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement are of revenue nature in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement do not constitute notifiable transactions of the Company pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Toh Ang Poo is a director and a substantial shareholder (as defined in the Listing Rules) holding 25% issued share capital of Gabungan Jasapadu Sdn. Bhd. (an indirect non-wholly-owned subsidiary of the Company) and accordingly he is a connected person of the Company at the subsidiary level. In the meantime, Mr. Toh Ang Poo holds 33.3% of the issued share capital of Southern Diggers. Therefore, Southern Diggers is an associate (as defined in the Listing Rules) of Mr. Toh Ang Poo. As such, the transactions contemplated under the Southern Diggers Second Supplementary Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Kimlun is a shareholder holding 40% issued share capital of our joint venture, JBB Kimlun Sdn. Bhd.. Therefore, Kimlun is a connected person of the Company at the subsidiary level. As such, the transactions contemplated under the Kimlun Second Supplementary Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement are exempted from the circular, independent financial advice and independent Shareholders' approval requirements but are subject to the reporting, annual review and announcement requirements by virtue of Rule 14A.101 of the Listing Rules.

REVISION OF ANNUAL CAP AND BASIS OF DETERMINATION IN RELATION TO SOUTHERN DIGGERS

On 29 June 2020 (after trading hours), JBB Builders entered into Southern Diggers Second Supplementary Agreements with Southern Diggers as follows:

- (i) to extend the terms of the subcontract agreement and first supplementary agreement in relation to the service of Infrastructure Works Phrase 1B to 31 August 2020, and that the subcontract agreement and first supplementary agreement in relation to the service of Infrastructure Works Phrase 2A&2B to 15 July 2020; and
- (ii) to revise the annual cap for the year ending 30 June 2021 in relation to the services of Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B,

which constituted revision of annual cap of the continuing connected transactions of the Company under the Listing Rules.

	For the year ended/ending 30 June		
	2019	2020	2021
	<i>RM million</i>	<i>RM million</i>	<i>RM million</i>
Actual transaction amount	17.5 ^{Note 1}	3.9 ^{Note 2}	N/A
Existing annual cap	41.8 ^{Note 1}	17.6	Nil
Proposed revised annual cap	N/A	N/A	14.1 ^{Note 3}

Notes:

1. Amount included two other contracts entered into between JBB Builders and Southern Diggers which have been completed during the year ended 30 June 2019.
2. Amount represented the actual transaction amount for the 10 months ended 30 April 2020.
3. Proposed revised annual cap = (sum of original contract sum of Southern Diggers Subcontract Agreements and the actual variation orders which are already confirmed and accepted as at the date of 30 April 2020 minus the actual transaction amount as of 30 April 2020) * 110%.

Rationale and basis of the revision of annual cap — Southern Diggers

The Board proposed the revision of annual cap for the year ending 30 June 2021 in relation to Southern Diggers for Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B because:

1. there was delay of the progress of the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B due to the suspension and postponement of the scheduled Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B as a result of:
 - a. the delay on the completion of building works of the same area;
 - b. the outbreak of the coronavirus COVID-19; and
 - c. the Restriction of Movement Order enforced by Malaysia government since 18 March 2020; and
2. the completion date of the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B is expected to be extended from the year ending 30 June 2020 to 31 August 2020 and 15 July 2020, respectively.

The revision of annual cap for the year ending 30 June 2021 is made with reference to (i) the aggregate original contract sum of Southern Diggers Subcontract Agreements amounted to RM27,409,692.09; (ii) the actual variation orders which are already confirmed and accepted as at the date of 30 April 2020; (iii) historical transaction amount completed as of 30 April 2020; (iv) anticipated progress of work and anticipated completion date of the Southern Diggers Subcontract Agreements, Southern Diggers First Supplementary Agreements and Southern Diggers Second Supplementary Agreements; and (v) provision for further variation orders based on approximately 10% of the remaining Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B (i.e. 10% of the sum of item (i) and item (ii) minus item (iii)), which serves as a buffer.

REVISION OF ANNUAL CAP AND BASIS OF DETERMINATION IN RELATION TO KIMLUN

On 29 June 2020 (after trading hours), JBB Builders entered into Kimlun Second Supplementary Agreement with Kimlun to (i) extend the terms of Kimlun Subcontract Agreement and Kimlun First Supplementary Agreement to 15 July 2020; and (ii) revise the annual cap for the year ending 30 June 2021 in relation to the service of Main Building Works, which constituted revision of annual cap of the continuing connected transactions of the Company under the Listing Rules.

	For the year ended/ending 30 June		
	2019	2020	2021
	<i>RM million</i>	<i>RM million</i>	<i>RM million</i>
Actual transaction amount	26.3	1.8 ^{Note 1}	N/A
Existing annual cap	35.7	8.4	Nil
Proposed revised annual cap	N/A	N/A	5.2 ^{Note 2}

Notes:

1. Amount represented the actual transaction amount for the 10 months ended 30 April 2020.
2. Proposed revised annual cap = (sum of original contract sum of Kimlun Subcontract Agreement and the actual variation orders which are already confirmed and accepted as at the date of 30 April 2020 minus the actual transaction amount as of 30 April 2020) * 110%.

Rationale and basis of the revision of annual cap — Kimlun — Main Building Works

The Board proposed the revision of annual cap for the year ending 30 June 2021 in relation to Kimlun for Main Building Works because:

1. there was delay of the progress of the Main Building Works due to the suspension and postponement of the scheduled Main Building Works as a result of:
 - a. the delay on the completion of the mechanical and electrical works;
 - b. the outbreak of the coronavirus COVID-19; and
 - c. the Restriction of Movement Order enforced by Malaysia government since 18 March 2020; and
2. the completion date of the Main Building Works is expected to be extended from the year ending 30 June 2020 to 15 July 2020.

The revision of annual cap for the year ending 30 June 2021 is made with reference to (i) the original contract sum of Kimlun Subcontract Agreement amounted to RM35,850,554.78; (ii) the actual variation orders which are already confirmed and accepted as at the date of 30 April 2020; (iii) historical transaction amount completed as of 30 April 2020; (iv) anticipated progress of work and anticipated completion date of the Kimlun Subcontract Agreement, Kimlun Supplementary Agreement and Kimlun Second Supplementary Agreement; and (v) provision for further variation orders based on approximately 10% of the remaining Main Building Works (i.e. 10% of the sum of item (i) and item (ii) minus item (iii)), which serves as a buffer.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement are of revenue nature in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement do not constitute notifiable transactions of the Company pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Toh Ang Poo is a director and a substantial shareholder (as defined in the Listing Rules) holding 25% issued share capital of Gabungan Jasapadu Sdn. Bhd. (an indirect non-wholly-owned subsidiary of the Company) and accordingly he is a connected person of our Company at the subsidiary level. Meanwhile, Mr. Toh Ang Poo holds 33.3% of the issued share capital of Southern Diggers. Therefore, Southern Diggers is an associate (as defined in the Listing Rules) of Mr. Toh Ang Poo. As such, the transactions contemplated under the Southern Diggers Second Supplementary Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Kimlun is a shareholder holding 40% issued share capital of our joint venture, JBB Kimlun Sdn. Bhd.. Therefore, Kimlun is a connected person of the Company at the subsidiary level. As such, the transactions contemplated under the Kimlun Second Supplementary Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board has approved the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement and the transactions contemplated thereunder. In addition, the Directors (including the independent non-executive Directors) are of the view that the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group, the terms of the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement and the annual caps in respect thereof are fair and reasonable and on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

As none of the Directors have a material interest in the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement or the transactions contemplated thereunder, no Director had abstained from voting on the relevant resolution proposed at the board meeting of the Company approving the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement and the transactions contemplated thereunder.

As the Board has approved the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement and the transactions contemplated thereunder and all the independent non-executive Directors have confirmed that the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement were entered into in the ordinary and usual course of business; and the terms thereof are fair and reasonable and on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Southern Diggers Second Supplementary Agreements and Kimlun Second Supplementary Agreement are exempted from the circular, independent financial advice and independent Shareholders' approval requirements but are subject to the reporting, annual review and announcement requirements by virtue of Rule 14A.101 of the Listing Rules.

GENERAL

The Group is principally engaged in business of marine construction, building and infrastructure services.

JBB Builders, 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.

Kimlun, a company incorporated in Malaysia with limited liability on 21 October 1977 and is a wholly-owned subsidiary of Kimlun Corporation Berhad, a company whose shares are listed on Bursa Malaysia. It mainly engages in building construction and infrastructure projects.

Southern Diggers, a company incorporated in Malaysia with limited liability on 26 August 2011 and mainly engages in constructions, trading of sand and earth, transportation of goods and hiring of machinery.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	JBB Builders International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries (as the same is defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong))
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JBB Builders”	JBB Builders (M) Sdn. Bhd., a company incorporated in Malaysia and an indirect wholly-owned subsidiary of the Company
“Kimlun”	Kimlun Sdn. Bhd., a company incorporated in Malaysia
“Kimlun First Supplementary Agreement”	a supplementary agreement dated 31 March 2019 entered into between JBB Builders and Kimlun in relation to the Main Building Works
“Kimlun Second Supplementary Agreement”	a supplementary agreement dated 29 June 2020 entered into between JBB Builders and Kimlun in relation to the Main Building Works
“Kimlun Subcontract Agreement”	a subcontract agreement dated 7 November 2017 entered into between JBB Builders and Kimlun in relation to the Main Building Works
“Infrastructure Works Phrase 1B”	infrastructure works of phrase 1B in Pengerang, Kota Tinggi, Johor, Malaysia
“Infrastructure Works Phrase 2A&2B”	infrastructure works of phrase 2A&2B in Pengerang, Kota Tinggi, Johor, Malaysia
“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
“Main Building Works”	main building works of phrase 2A&2B in Pengerang, Kota Tinggi, Johor, Malaysia
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Southern Diggers”	Southern Diggers Enterprise Sdn. Bhd., a company incorporated in Malaysia

“Southern Diggers First Supplementary Agreements”	two supplementary agreements dated 31 March 2019 entered into between JBB Builders and Southern Diggers in relation to the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B, respectively
“Southern Diggers Second Supplementary Agreements”	two supplementary agreements dated 29 June 2020 entered into between JBB Builders and Southern Diggers in relation to the Infrastructure Works Phrase 1B and Infrastructure Works Phrase 2A&2B, respectively
“Southern Diggers Subcontract Agreements”	a subcontract agreement dated 15 February 2018 entered into between JBB Builders and Southern Diggers in relation to the Infrastructure Works Phrase 1B and a subcontract agreement dated 28 December 2017 entered into between JBB Builders and Southern Diggers in relation to the Infrastructure Works Phrase 2A&2B
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
JBB Builders International Limited
Dato’ Ng Say Piyu
Chairman and Executive Director

Hong Kong, 29 June 2020

As at the date of this announcement, the Board comprises Dato’ Ng Say Piyu, Mr. Lam Fung Eng and Mr. Ng Chong Boon, as executive directors, Datin Ngooi Leng Swee as non-executive director, Mr. Tai Lam Shin, Mr. Chan Tsun Choi, Arnold and Ms. Chan Pui Kwan as independent non-executive directors.