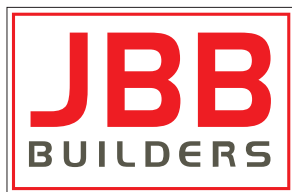


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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

CONNECTED TRANSACTION SETTLEMENT OF TRADE PAYABLES THROUGH ASSIGNMENT OF THE PROPERTIES

SETTLEMENT DOCUMENTS

On 10 September 2020 (after trading hours), JBB Builders, an indirect wholly-owned subsidiary of the Company, and Southern Diggers entered into the Settlement Documents, pursuant to which Southern Diggers agreed that the Trade Payables of approximately RM2.0 million are deemed to be received by Assignment of the Properties with value of the Properties of approximately RM2.0 million.

LISTING RULES IMPLICATIONS

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 Settlement Documents will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Settlement Documents and the transactions contemplated thereunder and all the independent non-executive Directors have confirmed that the Settlement Documents 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 Settlement Documents are exempted from the circular, independent financial advice and independent Shareholders' approval requirements but are subject to the reporting and announcement requirements by virtue of Rule 14A.101 of the Listing Rules.

SETTLEMENT DOCUMENTS

On 10 September 2020 (after trading hours), JBB Builders, an indirect wholly-owned subsidiary of the Company, and Southern Diggers, one of the Group's subcontractors, entered into the Settlement Documents, pursuant to which Southern Diggers agreed that the Trade Payables of approximately RM2.0 million are deemed to be received by Assignment of the Properties. The principal terms of the Settlement Documents are disclosed as below:

Parties

- (1) JBB Builders
- (2) Southern Diggers

Subject Matter

The Properties are leasehold double storey terraced houses located in the Mukim of Pengerang, Kota Tinggi, Johor, Malaysia, with total land area of approximately 10,460 square feet and built-up area of approximately 6,225 square feet.

Reference is made to the Company's announcement dated 19 February 2020 relating to the acquisition of 40 properties to set off certain trade receivables. The Properties are 3 out of the aforesaid 40 properties, and the carrying value of the Properties amount to approximately RM1.7 million.

Effective Date

10 September 2020 (after trading hours)

Nature and terms of Settlement Documents

- (1) Upon execution of the Deed of Settlement, Trade Payables shall be treated by the parties as full payment of the value of the Properties with Trade Payables being of the equal amount as the value of the Properties whereupon:
 - i. JBB Builders shall be treated and regarded to have paid Southern Diggers in full for the Trade Payables; and
 - ii. Southern Diggers and/or its nominees shall be treated and regarded to have paid JBB Builders in full for the value of the Properties; and
- (2) Upon execution of the Deeds of Novation cum Assignment,
 - i. JBB Builders novates absolutely to Southern Diggers all its obligations and liabilities and assigns, transfers and conveys Southern Diggers absolutely unto all the rights, titles, benefits and interest in the Properties; and
 - ii. Southern Diggers has agreed to accept the Assignment of Properties.

Value of the Properties for setting off Trade Payables

The value of the Properties for setting off the Trade Payables amount to approximately RM2.0 million which was determined after arm's length negotiation between JBB Builders and Southern Diggers on normal commercial terms with reference to, among other things the valuation of the Properties as at 30 June 2020 of approximately RM2.0 million conducted by an independent professional property valuer appointed by the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT DOCUMENTS

As at 30 June 2020, the aggregate outstanding trade payables to Southern Diggers amounted to approximately RM7.4 million. It is mutually agreed that the Properties are to be assigned to Southern Diggers as partial settlement of the outstanding trade payables.

The Directors are of the view that by entering into the Settlement Documents, part of the Group's outstanding trade payables will be settled and at the same time the Group will realise the value of the Properties. On the other hand, Southern Diggers will cease to be exposed to the credit risk associated with such outstanding trade payables. The Group can also maintain business relationship with Southern Diggers and further corporate in construction projects in future.

The Board has approved the Settlement Documents and the transactions contemplated thereunder. In addition, the Directors (including the independent non-executive Directors) are of the view that the Settlement Documents 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.

As none of the Directors have a material interest in the Settlement Documents 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 Settlement Documents and the transactions contemplated thereunder.

FINANCIAL IMPACT OF THE SETTLEMENT DOCUMENTS

Immediately after the execution of the Settlement Documents, Trade Payables of approximately RM2.0 million will be set off by the derecognition of non-current deposits paid for acquisition of the investment properties. Approximately RM0.3 million is expected to be recorded as a gain on disposal. However, the actual gain in connection with the Settlement Documents will be subject to the final cost to be incurred, including the legal fees, professional fees and tax impact arising from the Settlement Documents.

Other than the above-mentioned items, the Board considers that there will be no material adverse impact on its financial position and on the business and operation of the Group.

LISTING RULES IMPLICATIONS

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 Settlement Documents will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Board has approved the Settlement Documents and the transactions contemplated thereunder and all the independent non-executive Directors have confirmed that the Settlement Documents 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 Settlement Documents are exempted from the circular, independent financial advice and independent Shareholders' approval requirements but are subject to the reporting and announcement requirements by virtue of Rule 14A.101 of the Listing Rules.

GENERAL

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

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

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. Southern Diggers is 33.33%, 33.33% and 33.34% owned by Mr. Toh Ang Poo (a connected person of the Company at the subsidiary level), Mr. Yong Yoon Poh and Mr. Lee Hon Min, respectively.

DEFINITIONS

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

“Assignment of the Properties”	assignment of all the right, title, benefit, interest and ownership of the Properties to Southern Diggers
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Deeds of Novation cum Assignment”	the 3 deeds of novation cum assignment dated 10 September 2020 entered into between JBB Builders and Southern Diggers in relation to the Assignment of the Properties
“Deed of Settlement”	the deed of settlement dated 10 September 2020 entered into between JBB Builders and Southern Diggers in relation to the set off of the Trade Payables through Assignment of the Properties
“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))

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	beneficial ownership of the 3 units of leasehold property located in the area of Mukim of Pengerang, Kota Tinggi, Johor, Malaysia, to be assigned under the Settlement Documents
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Sale and Purchase Agreements”	the 3 sale and purchase agreements dated 10 September 2020 entered into between JBB Builders and Southern Diggers in relation to the assignment of all the right, title, benefit, interest and ownership of the Properties to JBB Builders
“Settlement Documents”	the Deed of Settlement, Deeds of Novation cum Assignment and Sale and Purchase Agreements
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Southern Diggers”	Southern Diggers Enterprise Sdn. Bhd., a company incorporated in Malaysia with limited liability on 26 August 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trade Payables”	trade payables owing from JBB Builders to Southern Diggers in relation to the construction contracts performed with a total amount of approximately RM2.0 million to be set off under the Deed of Settlement

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

Hong Kong, 10 September 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.