

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Subcontract Agreement entered into between JBB Builders, an indirect wholly-owned subsidiary of the Company, and Southern Diggers in relation to the service of the Remaining Construction Works with original contract sum of RM16,380,451.67, details of which are disclosed in the announcement of the Company dated 22 June 2022 and annual report for the year ended 30 June 2022.

In view of the delay of the progress of the service of the Remaining Construction Works due to the new variation orders on additional work requested from the customer of the project in relation to the Remaining Construction Works, adverse weather conditions and unforeseeable site conditions, on 20 July 2023 (after trading hours), JBB Builders entered into the Supplementary Agreement with Southern Diggers to (i) extend the terms of the Subcontract Agreement; and (ii) revision of the annual caps for the years ending 30 June 2024 and 30 June 2025 in relation to the service of the Remaining Construction Works, which constituted continuing connected transactions of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Supplementary Agreement are of revenue nature in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the 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 Supplementary Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the 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 CAPS AND BASIS OF DETERMINATION

On 20 July 2023 (after trading hours), JBB Builders entered into the Supplementary Agreement with Southern Diggers as follows:

- (i) to extend the terms of the Subcontract Agreement in relation to the service of the Remaining Construction Works to 30 June 2025; and
- (ii) to revise the annual caps for the years ending 30 June 2024 and 30 June 2025 in relation to the service of the Remaining Construction Works,

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

	For the year ended/ending 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Actual transaction amount	10,743 ^{Note 1}	N/A	N/A
Existing annual caps	17,200	820	Nil
Proposed revised annual caps	N/A	6,459 ^{Note 2}	861 ^{Note 3}

Notes:

1. Amount represented the actual transaction amount for the eleven months ended 31 May 2023.
2. Proposed revised annual caps for the year ending 30 June 2024 = sum of original contract sum of the Subcontract Agreement and anticipated variation orders based on approximately 5% of the original contract sum of the Subcontract Agreement minus the actual transaction amount as of 31 May 2023. Anticipated variation orders is determined based on approximately 5% of the remaining works of the Subcontract Agreement to be performed after 31 May 2023 which serves as a general buffer and the variation orders known as of the date of this announcement, which is approximately 5% of the original contract sum of the Subcontract Agreement in aggregate.
3. Proposed revised annual caps for the year ending 30 June 2025 = approximately 5% of the original contract sum of the Subcontract Agreement.

Rationale and basis of the revision of annual caps

The Board proposed the revision of annual caps for the years ending 30 June 2024 and 30 June 2025 in relation to Southern Diggers for Remaining Construction Works because:

1. there was delay of the progress of the service of the Remaining Construction Works due to the new variation orders on additional work requested from the customer of the project in relation to the Remaining Construction Works, adverse weather conditions and unforeseeable site conditions; and
2. the completion date of the Remaining Construction Works is expected to be extended from 14 September 2023 to 30 June 2025.

The revision of annual caps for the years ending 30 June 2024 and 30 June 2025 are made with reference to (i) the original contract sum of the Subcontract Agreement amounted to RM16,380,451.67; (ii) historical transaction amount completed as of 31 May 2023; (iii) anticipated progress of work and anticipated completion date of the Subcontract Agreement and the Supplementary Agreement as of the date of the Supplementary Agreement; (iv) provision for further variation orders based on approximately 5% of the remaining works of the Subcontract Agreement to be performed after 31 May 2023 which serves as a general buffer and the variation orders known as of the date of this announcement, which is approximately 5% of the original contract sum of the Subcontract Agreement; and (v) provision of defects works estimated to be approximately 5% of the original contract sum of the Subcontract Agreement to be performed during the defect liability period, which serves as a buffer.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Supplementary Agreement are of revenue nature in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the 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 Supplementary Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As none of the Directors have a material interest in the 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 Supplementary Agreement and the transactions contemplated thereunder.

As (i) Southern Diggers is a connected person to the Company at the subsidiary level; (ii) the Board has approved the Supplementary Agreement and the transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the Supplementary Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business; and the terms of the 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, the transactions contemplated under the 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 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.

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.

Southern Diggers is 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 approximately 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:

“associate(s)”	has the meaning ascribed to it 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 to it 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”	Hong Kong Special Administrative Region of The People’s Republic of China;
“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;

“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;
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the option market;
“Remaining Construction Works”	remaining construction works of upgrading existing Kempas Interchange at North South Highway at Jalan Kempas Lama, Johor, Malaysia pursuant to the Subcontract Agreement;
“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 with limited liability on 26 August 2011;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“the Subcontract Agreement”	a subcontract agreement dated 22 June 2022 entered into between JBB Builders and Southern Diggers in relation to the Remaining Construction Works;
“the Supplementary Agreement”	a supplementary agreement dated 20 July 2023 entered into between JBB Builders and Southern Diggers in relation to the Remaining Construction Works; and
“%”	per cent.

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

Hong Kong, 20 July 2023

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