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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

POSITIVE PROFIT ALERT

This announcement is made by JBB Builders International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 30 November 2022 and information that is currently available, the Group is expected to record a profit attributable to owners of the Company of not more than RM4.0 million for the six months ended 31 December 2022, as compared with a profit attributable to owners of the Company of approximately RM0.4 million recorded by the Group for the six months ended 31 December 2021.

Based on the information currently available to the Company, the Board believes that the expected profit of the Company for the six months ended 31 December 2022 is mainly attributable to the combined effect of the following factors:

- (a) a substantial decrease in revenue for the six months ended 31 December 2022 compared with the corresponding period in 2021, which was primarily due to (i) the substantial decrease in volume of sand transported generated from a marine transportation contract in Singapore given that there are some preparation and rearrangements of construction sites by customer and so the delivery of marine sand is currently in slow pace during the transition period; and (ii) decrease in demand of marine gas oil due to the decrease of marine transportation works, while partially offsetting by (i) the increase in volume of work for reclamation and related works generated from existing

contracts and new contracts awarded during the six months ended 31 December 2022; and (ii) the increase in volume of work performed for building and infrastructure services as compared with the corresponding period in 2021;

- (b) a decrease in gross profit for the six months ended 31 December 2022 compared with the corresponding period in 2021, which was primarily caused by the decrease in revenue as abovementioned, while partially offsetting by the higher gross profit margin for reclamation and related works and building and infrastructure services than the corresponding period in 2021; and
- (c) the recognition of reversal for loss allowance for expected credit losses on trade receivables and contract assets upon the completion of major transaction pursuant to the master supplemental agreement entered into with one of the long outstanding customers and its related party in relation to the settlement transactions (reference is made to the announcements of the Company dated 22 June 2022, 15 July 2022, 30 August 2022, 5 October 2022 and 12 October 2022, and the circular of the Company dated 19 July 2022) for the six months ended 31 December 2022 while loss allowance for expected credit losses on trade receivables and contract assets was recognised for the six months ended 31 December 2021.

As the Company is still in the process of finalising the results of the Group for the six months ended 31 December 2022, the information contained in this positive profit alert announcement is only based on the preliminary assessment by the Company's management on the unaudited consolidated management accounts of the Group and the information currently available, which has not been reviewed by the audit committee of the Company nor the Company's auditors, and is subject to changes and adjustments arising from further review. The interim results of the Company for the six months ended 31 December 2022 is expected to be published by the end of February 2023.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 January 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.