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JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1903)

DISCLOSEABLE TRANSACTION SETTLEMENT OF TRADE PAYABLES THROUGH ASSIGNMENT OF A PROPERTY

DEED OF SETTLEMENT

On 14 September 2021 (after trading hours), JBB Builders, an indirect wholly-owned subsidiary of the Company, Carimin Bina, one of the Group's subcontractors and AJT Property, the nominee of Carimin Bina, entered into a Deed of Settlement, pursuant to which Carimin Bina agreed that the Trade Payables of approximately RM1.1 million are deemed to be received by Assignment of a Property, which JBB Builders is the beneficial owner with value of the Property of approximately RM1.2 million, to AJT Property, with the differences between Trade Payables and value of the Property of approximately RM0.1 million settled by AJT Property in cash and cash equivalents.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Deed of Settlement (in aggregate) exceeds 5% and all applicable percentage ratios (as defined under the Listing Rules) are less than 25%, the transaction contemplated under the Deed of Settlement constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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On 14 September 2021 (after trading hours), JBB Builders, an indirect wholly-owned subsidiary of the Company, Carimin Bina, one of the Group's subcontractors, and AJT Property, the nominee of Carimin Bina, entered into a Deed of Settlement, pursuant to which Carimin Bina agreed that the Trade Payables of approximately RM1.1 million are

deemed to be received by Assignment of a Property to AJT Property, with the differences between Trade Payables and value of the Property of approximately RM0.1 million settled by AJT Property in cash and cash equivalents. The principal terms of the Deed of Settlement are disclosed as below:

Parties

- (1) JBB Builders
- (2) Carimin Bina
- (3) AJT Property

Subject Matter

The Property is a leasehold three storey shop office located in the Mukim of Pantai Timur, Kota Tinggi, Johor, Malaysia, with total land area of approximately 1,440 square feet and built-up area of approximately 4,135 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 Property is 1 out of the aforesaid 40 properties, and the carrying value of the Property amount to approximately RM0.9 million as at 30 June 2021.

Effective Date

14 September 2021 (after trading hours)

Nature and terms of Deed of Settlement

- (1) Upon execution of the Deed of Settlement, Trade Payables amounted to approximately RM1.1 million and value of the Property amounted to approximately RM1.2 million shall be treated by the parties as fully settled whereupon:
 - i. JBB Builders shall be treated and regarded to have paid Carimin Bina in full for the Trade Payables by the Assignment of a Property to AJT Property; and
 - ii. AJT Property shall pay JBB Builders the differences between Trade Payables and value of the Property of approximately RM0.1 million in cash and cash equivalents and thereafter be treated and regarded to have paid JBB Builders in full for the value of the Property; and
- (2) Upon execution of the Deed of Settlement:
 - i. AJT Property shall have all the rights, titles, benefits and interest in the Property; and
 - ii. AJT Property has agreed to accept the Assignment of a Property.

Value of the Property for setting off Trade Payables

The value of the Property for setting off the Trade Payables amount to approximately RM1.2 million which was determined after arm's length negotiation among JBB Builders, Carimin Bina and AJT Property on normal commercial terms with reference to, among other things the valuation of the Property as at 30 June 2021 of approximately RM0.9 million conducted by an independent professional property valuer appointed by the Group, the value of the Property JBB Builders obtained on 19 February 2020 with consideration of approximately RM1.0 million, and the original market listing price of approximately RM1.2 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE DEED OF SETTLEMENT

As at 31 August 2021, the aggregate outstanding trade payables to Carimin Bina amounted to approximately RM1.1 million. It is mutually agreed that the Property is to be assigned to AJT Property as partial settlement of the outstanding trade payables.

The Directors are of the view that by entering into the Deed of Settlement, part of the Group's outstanding trade payables could be settled and at the same time the Group will realise the value of the Property. Carimin Bina ceases to be exposed to the credit risk associated with such outstanding trade payables. The Group can also maintain business relationship with Carimin Bina and further corporate in construction projects in future.

The Board has approved the Deed of Settlement and the transaction contemplated thereunder. In addition, the Board considers that the Deed of Settlement 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.

FINANCIAL IMPACT OF THE DEED OF SETTLEMENT

Immediately after the execution of the Deed of Settlement, Trade Payables of approximately RM1.1 million will be set off by the derecognition of non-current deposits paid for acquisition of the investment property of approximately RM0.9 million and approximately RM0.1 million will be paid by AJT Property to JBB Builders for the settlement of the differences between Trade Payables and value of the Property. Approximately RM0.3 million will be recorded as a gain on disposal. The actual gain in connection with the Deed of Settlement will be subject to the final cost to be incurred, including the legal fees, professional fees and tax impact arising from the Deed of Settlement.

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

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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.

Carimin Bina is a company incorporated in Malaysia with limited liability on 21 December 2004 and mainly engages in the business of general contracting work and trading of geosynthetic products. It is 60% directly owned by Carimin Petroleum Berhad, a company whose shares are listed on the Main Market of Bursa Malaysia, and indirectly owned by as to 38% and 2% by Mr. Wan Hamdan Bin Wan Embong and Ms. Fauziah Binti Mohd Arof, respectively.

AJT Property is a company incorporated in Malaysia with limited liability on 17 September 2019 and mainly engages in business of buying, selling, renting and operating of self-owned or leased real estate. It is 0.1% directly owned by Mr. Ang Wei Sheng and indirectly owned by as to 12.24%, 12.74%, 12.49%, 12.49%, 18.72%, 6.24%, 12.24% and 12.74% by Ms. See Kwee Cheok, Mr. Tai Eng Soon, Mr. Ang Wei Sheng, Ms. Teo Sew Chang, Ms. Yek Me Hua, Ms. Ang Wei Wen, Ms. Soo Hoo Tsui Chin and Mr. Jee Ming Ze, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Carimin Bina and AJT Property and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“AJT Property”	AJT Property Sdn. Bhd., a company incorporated in Malaysia with limited liability on 17 September 2019
“Assignment of a Property”	assignment of all the right, title, benefit, interest and ownership of the Property to AJT Property
“Board”	the board of Directors
“Carimin Bina”	Carimin Bina Sdn. Bhd., a company incorporated in Malaysia with limited liability on 21 December 2004
“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 persons”	has the meaning ascribed thereto under the Listing Rules
“Deed of Settlement”	the deed of settlement dated 14 September 2021 entered into among JBB Builders, Carimin Bina and AJT Property in relation to the set off of the Trade Payables through Assignment of the Property
“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
“Property”	beneficial ownership of the 1 unit of three storey shop office located in the Mukim of Pantai Timur, Kota Tinggi, Johor, Malaysia, to be assigned under the Deed of Settlement
“RM”	Ringgit Malaysia, the lawful currency of Malaysia

“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trade Payables”	trade payables owing from JBB Builders to Carimin Bina in relation to the construction contracts performed with a total amount of approximately RM1.1 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, 14 September 2021

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.