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TBK & Sons Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1960)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROFIT WARNING

This announcement is made by TBK & Sons Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2) 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, Laws of Hong Kong).

Reference is made to the profit warning announcement dated 28 July 2023 of the Group for the year ended 30 June 2023 (the “**Announcement**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

Based on the information currently available to the Group, the Board wishes to further inform the Shareholders and potential investors that, based on the Group’s preliminary unaudited consolidated management accounts for the year ended 30 June 2023 (the “**Year**”), the Group is expected to record a net loss of approximately RM7 million, as compared to a net profit of approximately RM10 million for the year ended 30 June 2022 (the “**Same Period of the Previous Year**”). The deterioration of financial results was mainly due to the significant decrease in revenue from the trading of oil and related products in the PRC from approximately RM278 million for the Year as compared to approximately RM765 million for the Same Period of the Previous Year.

The decrease in revenue and profit from the trading of oil and related products in the PRC for the Year was due to the combined effects of the following:

- (i) Subsequent to the lifting of lockdown in the PRC at the end of 2022, the increase in human mobility resulted in higher infection rate in the PRC, which had not been eased until April 2023. After the lifting of lockdown, the Group had taken precautionary measures by suspending part of the operations and encouraging work-from-home to reduce the infection among employees. As a result, revenue from the trading of oil and related operations for the Year decreased by approximately 64% as compared to the Same Period of the Previous Year; and

- (ii) Due to the stalling and decrease in infrastructure projects in the PRC during the Period and the impacts of property market downturn, the demand for petroleum refining finished products decreased and the prices weakened, which resulted in a decrease in demand for heavy raw oil and coupled with the impact of Russia-Ukraine war on international oil prices, the crude oil prices were at a high level and the Group was not able to fully shift the extra cost of the increase in suppliers' prices to its customers, and as a result, the overall gross profit of the trading of oil and related products business of the Group declined significantly as compared to the Same Period of the Previous Year, with a significant drop in orders in the first half of 2023 compared to the first half of 2022.

As a result of the reasons (i) and (ii) above, the revenue and profit derived from the trading of oil and related products of the Group significantly decreased during the Year, as compared with the Same Period of the Previous Year.

The information contained in this announcement represents only a preliminary assessment of the Company based on the latest information available to the Company including the preliminary unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the auditors of the Company and have not been reviewed by the audit committee of the Company. As at the date of this announcement, the Group has not finalised its consolidated financial results for the Year, and such results are subject to necessary adjustments. The Company will make further announcement(s) as and when appropriate to inform its shareholders.

Save as aforesaid, all information contained in the Announcement remains unchanged.

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

By order of the Board
TBK & Sons Holdings Limited
Tan Hun Tiong
Chairman

Hong Kong, 10 August 2023

As at the date of this announcement, the Board comprises Mr. Tan Hun Tiong, Mr. Tan Han Peng, Mr. Tang Zhiming and Mr. Chen Da as executive Directors; Ms. Chooi Pey Nee as non-executive Director; and Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok as independent non-executive Directors.