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**Rimbaco Group Global Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1953)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2023**

**ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Rimbaco Group Global Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 October 2023 (“**FY2023**”), together with the comparative audited figures for the year ended 31 October 2022 (“**FY2022**”). All amounts set out in this announcement are presented in Malaysian Ringgit (“**RM**”) unless otherwise indicated.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 October 2023*

	<i>Notes</i>	<b>2023</b> <i>RM'000</i>	2022 <i>RM'000</i>
Revenue	3	<b>510,437</b>	475,565
Cost of services		<u>(476,732)</u>	<u>(470,624)</u>
Gross profit		<b>33,705</b>	4,941
Other income, gain and loss	4	<b>5,885</b>	2,114
Share of result of an associate		<b>231</b>	151
Administrative and other expenses		<b>(9,025)</b>	(7,575)
(Loss allowances) reversal of loss allowances on trade and other receivables and contract assets, net		<b>(3,684)</b>	1,451
Finance costs	5	<u>(3)</u>	<u>(2)</u>
Profit before tax	6	<b>27,109</b>	1,080
Income tax expense	7	<u>(7,102)</u>	<u>(847)</u>
<b>Profit for the year</b>		<b><u>20,007</u></b>	<b><u>233</u></b>
<b>Other comprehensive (expense) income</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		<u>(31)</u>	<u>845</u>
<b>Other comprehensive (expense) income for the year, net of income tax</b>		<b><u>(31)</u></b>	<b><u>845</u></b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b><u>19,976</u></b>	<b><u>1,078</u></b>
Earnings per share (RM cents)			
– Basic and diluted	8	<b><u>1.59</u></b>	<b><u>0.02</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2023

	<i>Notes</i>	<b>2023</b> <i>RM'000</i>	2022 <i>RM'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>13,079</b>	10,345
Investment properties		<b>5,145</b>	4,721
Right-of-use assets		<b>785</b>	10
Interest in an associate		<b>1,291</b>	1,107
Other non-current assets		<b>68</b>	96
Deferred tax assets		<b>2,254</b>	1,280
		<b>22,622</b>	17,559
<b>Current assets</b>			
Trade and other receivables	10	<b>110,156</b>	53,185
Contract assets	11	<b>141,651</b>	99,638
Tax recoverable		<b>2,467</b>	4,832
Restricted bank deposits	12	<b>13,826</b>	10,666
Bank balances and cash	12	<b>57,448</b>	97,839
		<b>325,548</b>	266,160
<b>Current liabilities</b>			
Trade, bills and other payables	13	<b>154,357</b>	118,892
Contract liabilities	11	<b>36,049</b>	5,492
Tax payables		<b>1,249</b>	95
Lease liabilities		<b>271</b>	10
Provisions	14	<b>1,403</b>	1,938
		<b>193,329</b>	126,427
<b>Net current assets</b>		<b>132,219</b>	139,733
<b>Total assets less current liabilities</b>		<b>154,841</b>	157,292

	<i>Notes</i>	<b>2023</b> <i>RM'000</i>	2022 <i>RM'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>515</b>	–
Deferred tax liabilities		<b>1,063</b>	1,075
		<u><b>1,578</b></u>	<u>1,075</u>
		<b>153,263</b>	156,217
		<u><b>153,263</b></u>	<u>156,217</u>
<b>Capital and reserves</b>			
Share capital	15	<b>7,033</b>	7,033
Reserves		<b>146,230</b>	149,184
		<u><b>153,263</b></u>	<u>156,217</u>
		<u><b>153,263</b></u>	<u>156,217</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Rimbaco Group Global Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 28 February 2019 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 April 2020. The Company’s immediate and ultimate holding company is RBC Venture Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) which is ultimately owned by Mr. Low Seah Sun (“**Mr. Low**”), Ms. Seah Peet Hwah (“**Ms. Seah**”), Mr. Cheang Wye Keong (“**Mr. Cheang**”) and Mr. Lau Ah Cheng (“**Mr. Lau**”) (collectively referred to as the “**Controlling Shareholders**”).

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108 Cayman Islands and the address of the Company’s principal place of business is 309-E, 1st Floor, Silver Square, Perak Road, 10150 Penang, Malaysia. The Company has established its place of business in Hong Kong at Suite 2702, 27/F., Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. Its major operating subsidiaries are engaged in the provision of general contractor services in Malaysia.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the subsidiaries and the consolidated financial statements are presented in Malaysia Ringgit (“**RM**”). As the Company and its subsidiaries (collectively referred to as the “**Group**”) mainly operate in Malaysia, the directors of the Company consider that it is appropriate to present the consolidated financial statements in RM.

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRS(s)**”)

In the current year, the Group has applied, for its first time, the following amendments to IFRSs, which include IFRSs, International Accounting Standards (“**IAS(s)**”), amendments and interpretations (“**IFRIC**”) issued by the International Accounting Standards Board (the “**IASB**”).

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts: Cost of Fulfilling a Contract
Amendment to IFRSs	Annual Improvements to IFRSs 2018–2020 Cycle

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **Impact on application of Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract**

The amendments specify that, when an entity assesses whether a contract is onerous in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the unavoidable costs under the contract should reflect the least net cost of existing from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. Costs of fulfilling the contract include incremental costs and an allocation of other costs that relate directly to fulfilling contracts (for example, all allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

In accordance with the transitional provisions, the Group applies the amendments to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application, 1 November 2022. The amendments did not have significant impact on the financial position and performance of the Group.

## **New and amendments to IFRSs issued but not yet effective**

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction <sup>1</sup>
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rule <sup>1</sup>
IFRS 17	Insurance Contracts and related Amendments <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of exchangeability <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>4</sup> Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of the new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

### **Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Guidance and examples were provided to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2. The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from provision of building construction services for the year.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker (the “**CODM**”), being the executive directors of the Company for the purposes of resources allocation and assessment of segment performance focuses on types of services delivered or provided. For management purpose, the Group operates in one business unit based on the services provided, and its sole operating segment is the provision of building construction services. The CODM monitors the revenue, results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with the accounting policies which conform with IFRSs and consistently presented in this announcement, and without further discrete financial information. Accordingly, no analysis of segment information other than entity-wide information is presented.

An analysis of the Group’s revenue for the year is as follows:

	Year ended 31 October	
	2023 <i>RM’000</i>	2022 <i>RM’000</i>
Revenue from contracts with customers recognised over time and disaggregated by types of building construction services:		
Factory projects	<b>314,513</b>	212,029
Institutional, commercial and/or residential projects	<b>137,229</b>	257,360
Infrastructure project	<b>56,203</b>	4,771
Others	<b>2,492</b>	1,405
	<b>510,437</b>	475,565

#### 4. OTHER INCOME, GAIN AND LOSS

	Year ended 31 October	
	2023 RM'000	2022 RM'000
Bank interest income	2,238	1,414
Gain on disposal of property, plant and equipment	2,197	727
Handling charges charged to a sub-contractor for material purchased on behalf	1,385	219
Rental income ( <i>note</i> )	64	46
Written off of property, plant and equipment	(2)	(37)
Loss on disposal of investment properties	–	(246)
Fair value loss on other non-current assets	–	(22)
Others	3	13
	<u>5,885</u>	<u>2,114</u>

*Note:*

An analysis of Group's net rental income is as follows:

	Year ended 31 October	
	2023 RM'000	2022 RM'000
Gross rental income from investment properties	64	46
Less:		
– direct operating expenses incurred for investment properties that generated rental income during the year (included in administrative and other expenses)	(15)	(21)
– direct operating expenses incurred for investment properties that did not generate rental income during the year (included in administrative and other expenses)	(29)	(16)
	<u>20</u>	<u>9</u>

#### 5. FINANCE COSTS

	Year ended 31 October	
	2023 RM'000	2022 RM'000
Interest on:		
Lease liabilities	<u>3</u>	<u>2</u>

## 6. PROFIT BEFORE TAX

	Year ended 31 October	
	2023 RM'000	2022 RM'000
Profit before tax has been arrived at after charging (crediting):		
Directors' emolument	3,005	2,247
Other staff costs:		
Salaries, wages and other benefits	12,356	14,723
Retirement benefit scheme contribution, excluding those of directors	1,117	1,322
Total staff costs	16,478	18,292
Auditor's remuneration	556	513
Depreciation of property, plant and equipment	3,196	3,839
Depreciation of investment properties	86	93
Depreciation of right-of-use assets	105	168
Construction material costs (included in cost of services)	54,127	62,705
Subcontracting costs (included in cost of services)	376,252	361,781
(Reversal of) provision for onerous contracts (included in cost of services)	(535)	1,938

## 7. INCOME TAX EXPENSE

	Year ended 31 October	
	2023 RM'000	2022 RM'000
Malaysian Corporate Income Tax		
– current year	8,136	952
– prior years	(48)	(265)
Deferred tax	(986)	160

Malaysian Corporate Income Tax is calculated at the statutory tax rate of 24% on the estimated assessable profit for the years ended 31 October 2023 and 2022.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 31 October	
	2023	2022
	RM'000	RM'000
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<u>20,007</u>	<u>233</u>
	Year ended 31 October	
	2023	2022
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,260,000,000</u>	<u>1,260,000,000</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

## 9. DIVIDEND

	Year ended 31 October	
	2023	2022
	RM'000	RM'000
Dividends recognised as distribution during the year:		
2023 interim dividend – RM0.0182	22,930	–
2022 interim dividend – RM0.0095	–	11,970
	<u>22,930</u>	<u>11,970</u>

During the year ended 31 October 2023, an interim dividend of RM0.0182 per share, amounting to RM22,930,000 in respect of the year ended 31 October 2023 was recognised as distribution.

During the year ended 31 October 2022, an interim dividend of RM0.0095 per share, amounting to RM11,970,000 in respect of the year ended 31 October 2022 was recognised as distribution.

Subsequent to the end of the reporting period, no dividend was proposed since the end of the reporting period (2022: nil).

## 10. TRADE AND OTHER RECEIVABLES

	As at 31 October	
	2023	2022
	RM'000	RM'000
Trade receivables from contract with customers	110,254	50,340
Less: loss allowance on trade receivables	(4,574)	(2,557)
Trade receivables, net	<u>105,680</u>	<u>47,783</u>
Other receivables, deposits and prepayments		
– Other receivables	599	258
– Rental and other deposits	1,305	1,095
– Prepayments	2,593	4,070
	<u>4,497</u>	<u>5,423</u>
Less: loss allowance on other receivables	(21)	(21)
Other receivables, deposits and prepayments, net	<u>4,476</u>	<u>5,402</u>
Total trade and other receivables	<u><u>110,156</u></u>	<u><u>53,185</u></u>

The Group allows an average credit period of not longer than 60 days to its customers. The Group may at its discretion grant a longer credit period to specific customers on a case-by-case basis.

During the year ended 31 October 2023, trade receivables amounted to RM34,564,000 (2022: nil) were offset against trade payables at the equivalent amount.

The Group does not hold any collateral over its trade and other receivables. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the date of billing documents, at the end of the reporting period.

	As at 31 October	
	2023	2022
	RM'000	RM'000
Within 30 days	74,624	35,478
31 to 60 days	21,411	4,269
61 to 90 days	5,160	5,787
Over 90 days	4,485	2,249
Total	<u><u>105,680</u></u>	<u><u>47,783</u></u>

## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

	As at 31 October	
	2023	2022
	RM'000	RM'000
Analysed as current:		
Unbilled revenue of construction contracts	67,540	34,552
Retention receivables of construction contracts	75,823	65,131
	<u>143,363</u>	<u>99,683</u>
Less: loss allowance on contract assets	(1,712)	(45)
	<u>141,651</u>	<u>99,638</u>

### (b) Contract liabilities

	As at 31 October	
	2023	2022
	RM'000	RM'000
Advances from customers of building construction contracts	36,049	5,492

## 12. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

Restricted bank deposits are placed with banks to secure general banking facilities granted to the Group. As at 31 October 2023, these deposits carry the interest rate ranged from 2.5% to 3.0% (2022: 1.35% to 2.9%) per annum. The amounts are denominated in RM.

Bank balances and cash comprise bank balances and cash on hand and time deposits with original maturity of three months or less. Bank balances carried interest at prevailing market rates based on daily bank deposit rate for the years ended 31 October 2023 and 2022. As at 31 October 2023, the interest rate of these bank deposits ranged from 0.2% to 4.05% (2022: 0.2% to 2.3%) per annum.

## 13. TRADE, BILLS AND OTHER PAYABLES

	As at 31 October	
	2023	2022
	RM'000	RM'000
Trade and bills payables	102,788	83,022
Retention payables	47,626	32,913
Accruals	3,574	2,871
Other payables	369	86
	<u>154,357</u>	<u>118,892</u>

The following is an aged analysis of trade and bills payables presented based on invoice date/bills issued date at the end of the reporting period.

	<b>As at 31 October</b>	
	<b>2023</b>	2022
	<b>RM'000</b>	RM'000
Within 30 days	<b>66,336</b>	39,861
31 to 60 days	<b>17,590</b>	17,209
61 to 90 days	<b>6,649</b>	12,686
Over 90 days	<b>12,213</b>	13,266
	<b>102,788</b>	83,022

The normal credit period granted is ranged from 30 to 60 days. Certain suppliers may grant the Group a longer credit period under special circumstances. The Group has financial risk management measures in place to ensure that all payables are settled within the credit timeframe.

#### 14. PROVISIONS

##### Provision for onerous contracts

The provision was made for onerous contracts for construction works performed by the Group. Under these contracts, the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. Consequently, a provision for onerous contracts was recognised in the consolidated statement of profit or loss and other comprehensive income. The provision will be utilised through fulfilling the obligations under the construction contracts. Movements during the years ended 31 October 2023 and 2022 are set out below:

	<i>RM'000</i>
As at 1 November 2021	–
Addition for the year	1,938
As at 31 October 2022	<b>1,938</b>
Reversal for the year	<b>(535)</b>
As at 31 October 2023	<b>1,403</b>

#### 15. SHARE CAPITAL

<b>Ordinary share of HK\$0.01 each</b>	<b>Number of Ordinary shares</b>	<b>Amount HK\$</b>	<b>Amount RM'000</b>
<i>Authorised:</i>			
At 1 November 2021, 31 October 2022 and 2023	10,000,000,000	100,000,000	N/A
<i>Issued and fully paid:</i>			
At 1 November 2021, 31 October 2022 and 2023	1,260,000,000	12,600,000	7,033

All shares issued rank pari passu in all respects with all shares then in issue.

## 16. PERFORMANCE BONDS AND GUARANTEE

### (a) Performance bonds

	As at 31 October	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
Performance bonds for construction contracts in favour of customers	<b>30,087</b>	14,097

The above performance bonds were given by banks in favour of some of Group's customers as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers. As at 31 October 2023 and 2022, certain of the Group's performance bonds were guaranteed by the Company.

### (b) Completion guarantee

	As at 31 October	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
Completion guarantee for construction contract in favour of a customer	<b>12,865</b>	12,865

As at 31 October 2023, the Group had undertaken to complete the construction contract within the stipulated completion period or any approved extension of time in accordance with the letter of award. If the Group fails to complete the construction contract with its customer to whom the completion guarantee has been given, such customer may demand the Group to pay to them the sum or sums stipulated in such demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is mainly involved in the building construction industry in Malaysia through its wholly-owned subsidiary, Rimbaco Sdn Bhd. (“**Rimbaco**”). Rimbaco is a Malaysia-based building construction contractor focusing on the provision of building construction services for (i) factories, including low-rise processing facilities and manufacturing plants; (ii) institutional, commercial and/or residential buildings such as private hospitals, hotels, shopping malls, high-rise residential buildings and commercial/residential complex; and (iii) infrastructure works. Rimbaco also undertakes small-scale ancillary construction works, including but not limited to renovation works, repair works and electrical works.

During FY2023, the Group completed 9 construction projects with an aggregate contract sum of approximately RM235.1 million of which 4 were factory projects, 1 was residential project and 4 were institutional projects.

The following table sets out details of the projects completed by the Group during FY2023:

No.	Name	Description of Works	Completion Date	Original/ Revised Contract Sum (RM'000)
1	Factory building of 10 level car park & Production room	Factory	21 November 2022	93,814
2	Earth & piling for 1 factory building	Factory	30 November 2022	5,919
3	Manufacturing plant Block G	Factory	31 December 2022	18,404
4	High Rise Residential building	Residential	25 January 2023	82,261
5	Block C-Foundation	Factory	17 February 2023	8,117
6	Renovation-Package 1	Institutional	3 July 2023	10,961
7	Renovation-Package 2	Institutional	3 July 2023	13,608
8	Renovation-Package 3	Institutional	14 August 2023	1,481
9	Renovation-Package 4	Institutional	20 October 2023	544
				<u>235,109</u>

As at 31 October 2023, the Group had 6 building construction projects in progress with an aggregate contract sum of approximately RM1.23 billion of which 4 were factory projects, 1 was commercial project and 1 was infrastructure project.

The following table sets out of building construction projects which remained ongoing as at 31 October 2023:

<b>No.</b>	<b>Description of Works</b>	<b>Original/ Revised Contract Sum (RM'000)</b>
1	Commercial: design and construction of a commercial residential nine-storey commercial podium with parking lots, a 18-storey office building, a 18-storey hotel and 30-storey service apartment	566,489
2	Infrastructure: pipeline & reservoir works	250,864
3	Factory: external work for 1 factory building (Block C – Ext)	4,559
4	Factory: construction one block of chemical store (Block C)	15,281
5	Factory: construction of 3 production factory buildings, 1 warehouse building and 1 office building	387,313
6	Factory: upgrading 1 production factory building	6,273
		<u>1,230,779</u>

During FY2023, the Group submitted 9 tenders for factory projects, 1 tender for commercial project and 5 tenders for institutional projects. The Group was awarded 2 factory projects and 4 institutional projects with an aggregate contract sum of approximately RM473.3 million and RM30.3 million respectively.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately RM34.8 million, or 7.32%, from approximately RM475.6 million for FY2022 to approximately RM510.4 million for FY2023. Such increase was mainly contributed by a substantially completed sizeable factory project during FY2023.

	Year ended 31 October			
	2023		2022	
	Revenue	% of total	Revenue	% of total
	(RM'000)	revenue	(RM'000)	revenue
Factory projects	314,513	61.6	212,029	44.6
Institutional, commercial and/or residential projects	137,229	26.9	257,360	54.1
Infrastructure project	56,203	11.0	4,771	1.0
Others	2,492	0.5	1,405	0.3
	<u>510,437</u>	<u>100</u>	<u>475,565</u>	<u>100</u>

During FY2023, the revenue attributable to factories and institutional, commercial and/or residential buildings amounted to approximately RM314.5 million and approximately RM137.2 million (FY2022: approximately RM212.0 million and approximately RM257.4 million), respectively, representing approximately 61.6% and 26.9% (FY2022: approximately 44.6% and 54.1%), of the total revenue of the Group.

As at 31 October 2023, the Group had an outstanding order book of approximately RM382.7 million (31 October 2022: approximately RM416.3 million).

### Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately RM28.8 million, from approximately RM4.9 million for FY2022 to approximately RM33.7 million for FY2023. The increase in gross profit margin of approximately 1.0% in FY2022 to approximately 6.6% in FY2023 was mainly contributed by the relatively low cost of sales of a substantially completed sizeable factory project during FY2023.

## **Other Income, Gain and Loss**

The Group's other income, gain and loss increased from approximately RM2.1 million for FY2022 to approximately RM5.9 million for FY2023 which was mainly due to (i) fixed deposit interest generated from additional fixed deposit placement and increase in fixed deposit interest rate; (ii) handling charges charged to a sub-contractor for material purchased on behalf; and (iii) increase in profit on disposal of fixed assets.

## **Administrative and Other Expenses**

The Group's administrative and other expenses increased by approximately RM1.4 million or 18.4% from approximately RM7.6 million for FY2022 to approximately RM9.0 million for FY2023, which was mainly due to Company's incentive trip for employee and stamp duties on a banking facilities.

## **Finance Costs**

The Group's finance costs increased by approximately RM1,000 from approximately RM2,000 for FY2022 to approximately RM3,000 for FY2023 which was mainly due to increase in lease liabilities interest.

## **Income Tax Expense**

The Group's income tax expense increased from approximately RM0.8 million for FY2022 to approximately RM7.1 million for FY2023 which was mainly due to increase in taxable profit for FY2023.

## **Profit Attributable to the Owners of the Company**

As a result of the foregoing, the Group reported profit attributable to owners of the Company of approximately RM20.0 million for FY2023, representing an increase of approximately RM19.8 million as compared to approximately RM0.2 million for FY2022.

## **FUTURE PROSPECTS**

According to the third quarter (2023) quarterly bulletin published by the Central Bank of Malaysia (BNM), the global growth is expected to be moderate before recovering gradually in the second half of 2024. The global economy is expected to grow at a slower pace in 2024. The impact from tight monetary policy is expected to intensify in subsequent quarters, before dissipating towards the second half of 2024. Global inflation would likely moderate further, with commodity prices posing a clear upside risk. Property market remains in a downturn.

Downside risks stem mainly from higher-than-expected inflation, escalation of geopolitical tensions and a sharp tightening in financial market conditions. However, upside risk to global growth can arise from stronger-than-expected domestic demand, particularly in advanced economies. Going forward, growth of the economy of Malaysia will be driven largely by resilient domestic expenditure, with some support from electrical and electronics exports recovery. Household spending will be supported by steady growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. The growth outlook is subject to downside risks from weaker-than expected external demand, and larger and protracted declines in commodity production. Nevertheless, stronger-than-expected tourism activity, a stronger recovery from the electrical and electronics downcycle, and faster implementation of projects provide upside to Malaysia's economic outlook.

Moving forward, the Group will continue to focus on project implementation and execution to ensure quality works are delivered on time. Amidst uncertainties in the economy, the year of 2024 remains a challenging year ahead for the Group. The Group will continue to seek growth opportunities in the order book to ensure sustainable earnings in the coming year.

The Group will continue to engage in an active tendering process in line with our core expertise. The current economic situation has resulted in the greater competition for construction industry, aggressive tender pricing among the industry player may create an unhealthy competitive environment and may lead to lower prices and margins.

## **LIQUIDITY AND FINANCIAL RESOURCES**

Gearing ratio of the Group (calculated by dividing the total debts (lease liabilities) by total equity and multiplied by 100%) remain the same for approximately 0.0% as at 31 October 2022 and 31 October 2023.

During FY2023, the Group maintained a healthy liquidity position with working capital being financed through cash generated from financing activities. As at 31 October 2023, the Group's bank balances and cash was approximately RM57.4 million (31 October 2022: approximately RM97.8 million) and the Group's restricted bank deposits was approximately RM13.8 million (31 October 2022: approximately RM10.7 million). The Directors consider the level of cash balances to be reasonable, which would enable the Company to maintain its liquidity position in settling the progress payments on time to subcontractors and enhance its position as main contractor's competitiveness during this challenging time.

As at 31 October 2023, the current ratio of the Group was approximately 1.7 times (31 October 2022: approximately 2.1 times).

The Group's principal use of cash is mainly for payments to suppliers, subcontractors and working capital needs.

## **Capital Structure**

As at 31 October 2023, the capital structure of the Group consisted of equity of approximately RM153.3 million (31 October 2022: approximately RM156.2 million) and bank borrowings of Nil (31 October 2022: Nil) as more particularly described in the paragraph headed “Borrowings” below.

## **Borrowings**

As at 31 October 2023, the Group did not have any outstanding bank borrowings. The unutilised facility for bank overdraft amounted to approximately RM500,000 (31 October 2022: approximately RM500,000).

The Directors confirmed that the Group had neither experienced any difficulties in obtaining or repaying its bank borrowings, nor breached any major covenant or restriction of the Group’s facilities up to the date of this announcement. There are no material covenants related to the Group’s outstanding debts that would materially limit its ability to undertake additional debt or equity financing.

## **Net Current Assets**

The Group’s net current assets decreased by approximately RM7.5 million, or 5.4%, from approximately RM139.7 million as at 31 October 2022 to approximately RM132.2 million as at 31 October 2023, which was a combined effect of the increase in trade and other receivables of approximately RM57.0 million, increase in contract assets of approximately RM42.1 million, decrease in tax recoverable of approximately RM2.3 million, increase in restricted bank deposits of approximately RM3.1 million, decrease in bank balances and cash of approximately RM40.4 million, increase in contract liabilities of approximately RM30.5 million and increase in lease liabilities of approximately RM0.3 million. The Board regularly reviews the maturity analysis of the Group’s contractual liabilities and concludes that there is no liquidity issue that may cast significant doubt on the Company’s ability to continue as a going concern.

## **Capital Expenditures**

The Group’s capital expenditures principally consisted of expenditures on acquisitions of property, plant and equipment related to operations, which were funded by the Group’s internal resources and finance lease arrangement.

During FY2023, the Group did not make any material capital expenditures and the Group expects to fund its planned capital expenditures principally through net proceeds from listing.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no acquisition or disposal of subsidiaries, associates or joint ventures during FY2023. There was no future plan for material investments or capital assets as at 31 October 2023.

### **SIGNIFICANT EVENTS DURING FY2023**

#### **Proposal for the sale of 75% of the issued shares of the Company**

The Board was informed by RBC Venture Limited (the “**Vendor**”, a controlling shareholder of the Company holding 945,000,000 shares of the Company, representing 75% of the issued shares of the Company (the “**Shares**”) as at 10 August 2022) that, among other things, on 8 August 2022 (after trading hours), a memorandum of understanding (the “**Memorandum**”) was entered into between the Vendor and Zhaixiaobai International Holding Co., Limited (“**Zhaixiaobai**”), pursuant to which the Vendor shall sell, and Zhaixiaobai shall purchase, 945,000,000 Shares (the “**Possible Transaction**”). The Possible Transaction, if materialised, would have led to a change in control of the Company and a mandatory general offer for all the issued Shares (other than those already owned by or agreed to be acquired by Zhaixiaobai or parties acting in concert with it) will be triggered under Rule 26 of The Codes on Takeovers and Mergers and Share Buy-backs. Pursuant to the Memorandum, among other things, (i) a non-refundable deposit in the amount of HK\$20 million (the “**Deposit**”) shall be payable by Zhaixiaobai to the Vendor on or before 19 August 2022 (the “**Deposit Payment Date**”); and (ii) the parties to the Memorandum will use reasonable effort to negotiate and enter into a formal sale and purchase agreement (the “**Formal Agreement**”) on or before 17 November 2022 (or such later date as may be agreed in writing between the Vendor and Zhaixiaobai), failing which the Memorandum will lapse and each party shall have no claim against the other, save as regards antecedent breaches. If the parties proceed with the Possible Transaction, the Deposit can be used to satisfy part of the consideration to be paid by Zhaixiaobai under the Possible Transaction. Please refer to the announcement of the Company dated 10 August 2022 for details.

The Board was informed by the Vendor that, among other things, (i) on 19 August 2022, the Vendor and Zhaixiaobai entered into a deed (the “**Deed**”), pursuant to which the Vendor and Zhaixiaobai had agreed to extend the Deposit Payment Date to 31 August 2022; (ii) on 31 August 2022, the Vendor and Zhaixiaobai entered into a deed (the “**2nd Extension Deed**”, together with the Deed, the “**Extension Deeds**”), pursuant to which the Vendor and Zhaixiaobai had agreed to further extend the Deposit Payment Date to 15 September 2022; and (iii) that the non-refundable Deposit in the amount of HK\$20 million had been fully paid by Zhaixiaobai pursuant to the Memorandum (as amended and supplemented by the Extension Deeds).

The Company was informed by the Vendor that no Formal Agreement nor any definitive or legally binding agreement had been entered into between the Vendor and Zhaixiaobai as at 17 November 2022. Accordingly, the Memorandum had lapsed on 17 November 2022 and the non-refundable Deposit in the amount of HK\$20 million paid by Zhaixiaobai to the Vendor had been forfeited pursuant to the Memorandum. Following the termination of the Memorandum, the Memorandum (except clauses relating to the Deposit, confidentiality, severability, dispute resolution, entire understanding, termination, third parties and counterparts) shall be of no further effect whatsoever and no party to the Memorandum shall have any claim whatsoever against any other party in connection therewith except for any antecedent breaches.

Please refer to the announcements of the Company dated 19 August 2022, 31 August 2022, 30 September 2022, 31 October 2022 and 17 November 2022 for details.

### **Acquisition of land**

On 6 June 2023, Rimbaco, the purchaser, and Hexablue Sdn. Bhd. (“**Hexablue**”), an independent third party, entered into the sale and purchase agreement, pursuant to which Hexablue has conditionally agreed to sell, and Rimbaco has conditionally agreed to purchase, a freehold land for the purchase price of RM5,546,692.00 (equivalent to approximately HK\$9,498,155.38) upon and subject to the terms and conditions set out therein. The land will be used for building a new warehouse to store the Group’s machinery and equipment for maintenance and storage purposes when they are returned from project sites upon completion of projects.

Please refer to the announcement of the Company dated 6 June 2023 for details.

### **SIGNIFICANT INVESTMENT HELD**

The Group did not hold any significant investment (except for its subsidiaries) during FY2023.

### **CONTINGENT LIABILITY**

Save as disclosed in note 16 to the consolidated financial statements of this announcement, the Group had no contingent liabilities as at 31 October 2023.

## **CREDIT RISK**

### **Trade receivables and contract assets**

The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk is influenced mainly by the characteristics of each and individual customer, therefore significant concentrations of the credit risk primarily arise when the Group had significant exposure to individual customers. As at 31 October 2023, approximately 46.4% (31 October 2022: 7.6%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 84.2% (31 October 2022: 71.9%) of the total gross trade receivables and contract assets were due from the Group's top five customers.

Individual credit evaluations are based on the provision of the matrix and taking into account the monthly aging in the past 3 years, in which loss rate is determined by the probability of default, loss given rate, forward-looking factor and existing market conditions.

In general, the Group also consider the past settlement trend of the customer and assess the customer's financial ability to pay and external credit rating, where applicable.

### **PLEDGE OF ASSETS**

As at 31 October 2023, restricted bank deposits of approximately RM13.8 million (31 October 2022: approximately RM10.7 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM30.1 million (31 October 2022: approximately RM14.1 million) related to Group's performance bond.

For contracts awarded, the Group's customers may require performance bonds, the amounts of which are generally 5% of the original contract sum, in favour of them to guarantee the completion of work and such performance bonds are generally released after the issuance of Certificate of Practical Completion or completion of the defect liability period.

### **CAPITAL COMMITMENTS**

As at 31 October 2023, the Group did not have any capital commitments (31 October 2022: Nil).

### **FOREIGN EXCHANGE EXPOSURE**

The functional currency of the Group's operation, asset and liabilities are denominated in RM. Therefore, the Group is not exposed to significant foreign exchange risk and has not employed any financial instrument for hedging.

## **TREASURY POLICIES**

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. Bank borrowing of the Group are all denominated in RM and have been arranged on a floating-rate basis. It is the Group's policy not to enter into derivative transactions for speculative purposes.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 October 2023, the Group's workforce stood at 140 employees, 109 were Malaysian workers and 31 were foreign workers. As at 31 October 2022, the Group had 158 employees, 119 were Malaysian workers and 39 were foreign workers.

Total staff costs (excluded directors' emoluments) decreased by approximately RM2.5 million from RM16.0 million during FY2022 to RM13.5 million during FY2023 which was mainly due to (i) no project incentive paid during FY2023 as compared to FY2022; and (ii) reduce in workforce.

The Group believes that on-going and continuous development of its employees is critical to its success. The Group provides its employees with tailored training programmes that are designed to upgrade their skills and knowledge and to prepare them for the next step in their career path within our Group. The Group entered into separate labour contracts with each of its employees in accordance with the applicable labour laws of Malaysia. The remuneration offered to employees generally includes salaries and bonuses. In general, the Group determines salaries of its employees based on each employee's qualification, position and performance.

The Group has adopted a share option scheme which became effective on 28 April 2020 to enable the Board to grant share options to eligible participants giving them an opportunity to have a personal stake in the Company. No share options were granted, exercised, cancelled or lapsed by the Group under the share option scheme since its adoption.

## USE OF PROCEEDS FROM LISTING

On 28 April 2020, the issued shares of the Company were listed on the Main Board of the Stock Exchange. A total of 315,000,000 ordinary shares were issued to the public at a price of HK\$0.40 per share for net proceeds of approximately HK\$73.5 million (approximately RM38.7 million) (Note 1) after the deduction of related listing expenses. These proceeds were utilised in accordance with the proposed allocation set out in the prospectus of the Company dated 14 April 2020 (the “**Prospectus**”). As disclosed in the Company’s supplemental announcement dated 31 March 2023 (the “**Announcement**”), after due and careful consideration of the current business environment and development needs of the Group, the Board had resolved to change the proposed use of the unutilised net proceeds. The Board considers that the aforementioned change in the use of the net proceeds (i) is fair and reasonable as this will allow the Group to deploy its financial resources more effectively to better enhance the profitability of the Group; (ii) is in line with the business strategies of the Group; (iii) will not adversely affect the Group’s business operations; and (iv) is in the interests of the Group and the shareholders of the Company as whole. Please refer to the Announcement for details of the change in use of the net proceeds and the reasons thereof.

*Note 1:* The net proceeds allocated for each specific use have been adjusted proportionally in the manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds received.

Set out below are details of the allocation of the net proceeds, and the unutilised amount of the net proceeds during FY2023:

Business strategies	Approximate	Approximate	Approximate	Approximate	Revised	Approximate	Approximate	Expected timeline for utilising the unutilised net proceeds
	planned percentage of total amount	Approximate planned use of net proceeds	Approximate amount utilised up to 31 October 2022	unutilised net proceeds as at 31 October 2022	allocation of the unutilised net proceeds	amount utilised during FY2023	unutilised net proceeds as at 31 October 2023	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Strengthening capital base for potential building projects	39.4%	28,924	13,147	15,777	Remain unchanged	6,129	9,648	On or before end of year 2024
Acquisition of machinery & equipment	31.2%	22,972	855	22,117	14,840	-	14,840	On or before end of year 2024
Acquisition of land and construct a warehouse	6.5%	4,781	-	4,781	12,058	10,430	1,628	On or before end of year 2024
Collateral for banking facilities and funding for sinking fund	6.1%	4,512	4,512	-	-	-	-	-
Expansion of workforce to support business expansion	5.3%	3,892	3,892	-	-	-	-	-
Set up branch office in Kuala Lumpur	1.9%	1,450	-	1,450	Remain unchanged	-	1,450	On or before end of year 2024
Working capital and other general corporate purpose	9.6%	6,981	6,981	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>73,512</b>	<b>29,387</b>	<b>44,125</b>	<b>-</b>	<b>16,559</b>	<b>27,566</b>	

As at the end of FY2023, the amount of the net proceeds which remained unutilised amounted to approximately HK\$27.6 million and have been deposited in licensed banks. As per the Announcement, the Company intended to utilise the unutilised proceeds on or before end of year 2024, and may be subject to change based on the market conditions.

### SIGNIFICANT EVENT AFTER FY2023

The Group does not have any material subsequent event after FY2023 and up to the date of this announcement.

## **DIRECTORS' INTERESTS IN COMPETING INTERESTS**

As at the date of this announcement, none of the Directors had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## **DEED OF NON-COMPETITION**

Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong, Mr. Lau Ah Cheng and RBC Venture Limited, each being the controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) of the Company (the “**Controlling Shareholder(s)**”), have entered into a deed of non-competition dated 31 March 2020 in favour of the Company (the “**Deed of Non-Competition**”). Details of the Deed of Non-Competition was set out in the section headed “RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS” of the Prospectus. The Company has received confirmations from Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong, Mr. Lau Ah Cheng and RBC Venture Limited of their compliance with the terms of the Deed of Non-Competition. Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong, Mr. Lau Ah Cheng and RBC Venture Limited declared that they have fully complied with the Deed of Non-Competition for FY2023.

The independent non-executive Directors have reviewed the confirmations from the Controlling Shareholders and confirmed that up to the date of this announcement, all the undertakings under the Deed of Non-Competition have been complied with by Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong, Mr. Lau Ah Cheng and RBC Venture Limited.

During FY2023, none of the Controlling Shareholders and their respective close associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

## **PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY**

Save as disclosed in this announcement, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed shares during FY2023.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout FY2023.

## **CORPORATE GOVERNANCE PRACTICES**

The Board recognizes the importance of good corporate governance in management and internal procedures so as to achieve effective accountability and to protect and enhance shareholders' value. Committed to upholding good corporate standards and procedures in the best interests of its shareholders, the Company has adopted the code provisions set out in the Corporate Governance Code to the Appendix 14 (the “**CG Code**”) to the Listing Rules. The Company has complied with all CG Code during FY2023.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders.

## **DIVIDEND**

The Board does not recommend the payment of final dividend for FY2023 (FY2022: Nil).

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) on 31 March 2020, with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of the CG Code. The Audit Committee is chaired by Mr. Wong Chi Wai, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules and has two other members, namely Mr. Ng Kok Seng and Ms. Yeo Chew Yen Mary. The audited consolidated results of the Group for FY2023 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 October 2023 as set out in this announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 October 2023. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the Company's website (<http://www.rimbaco.com.my>) and the Stock Exchange's website (<http://www.hkexnews.com.hk>). The annual report for FY2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

For and on behalf of  
**Rimbaco Group Global Limited**  
**Low Seah Sun**  
*Chairman*

Hong Kong, 23 January 2024

*As at the date of this announcement, the executive Directors are Mr. Low Seah Sun, Mr. Low Wui Linn, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong and Mr. Lau Ah Cheng, the non-executive Director is Mr. Tong Kai Tak and the independent non-executive Directors are Mr. Ng Kok Seng, Mr. Wong Chi Wai and Ms. Yeo Chew Yen Mary.*