



RIMBACO GROUP GLOBAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1953

2024
INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Low Seah Sun (*Chairman*)
Mr. Low Wui Linn (*Chief Executive Officer*)
Ms. Seah Peet Hwah
Mr. Cheang Wye Keong
Mr. Lau Ah Cheng

Non-executive Director

Mr. Tong Kai Tak

Independent Non-Executive Directors

Mr. Ng Kok Seng
Mr. Wong Chi Wai
Ms. Yeo Chew Yen Mary

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva

AUDIT COMMITTEE

Mr. Wong Chi Wai (*Chairman*)
Mr. Ng Kok Seng
Ms. Yeo Chew Yen Mary

REMUNERATION COMMITTEE

Ms. Yeo Chew Yen Mary (*Chairman*)
Ms. Seah Peet Hwah
Mr. Wong Chi Wai

NOMINATION COMMITTEE

Mr. Low Seah Sun (*Chairman*)
Mr. Ng Kok Seng
Mr. Wong Chi Wai

AUTHORISED REPRESENTATIVES

Mr. Low Seah Sun
Ms. Lam Yuen Ling Eva

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

9-03-01, Jalan Ahmad Nor
Pusat Perdagangan Nova
11600 Jelutong, Penang
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2702, 27/F., Shui On Centre
6-8 Harbour Road, Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17/F
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Corporate Information (Continued)

AUDITOR

SHINEWING (HK) CPA Limited

Certified Public Accountant
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

LEGAL ADVISER

As to Hong Kong law

Seyfarth Shaw

Suites 3701 & 3708–3710, 37/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL BANKERS

CIMB Bank Berhad

8th Floor Bangunan KWSP
Lot 3009 Off Lebuh Tenggiri 2
Bandar Seberang Jaya
13700 Seberang Jaya
Pulau Pinang
Malaysia

OCBC Bank (Malaysia) Berhad

36 Lebuh Pantai
10300 Pulau Pinang
Malaysia

STOCK CODE

1953

WEBSITE

www.rimbaco.com.my

Management Discussion and Analysis

The board (the "Board") of directors (the "Directors") of Rimbaco Group Global Limited (the "Company") hereby announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 April 2024 ("1H2024"), together with the comparative unaudited figures for the six months ended 30 April 2023 ("1H2023") and certain comparative figures as at the end of the last audited financial year ended 31 October 2023. All amounts set out in this report are presented in Malaysian Ringgit ("RM") unless otherwise indicated.

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 1H2024, the Group completed 3 construction projects with an aggregate contract sum of approximately RM323.9 million of which 3 were factory projects.

The following table sets out details of the projects completed by the Group during 1H2024:

No.	Name	Description of works	Completion date	Original/Revised Contract sum (RM'000)
1	3 production factory buildings, 1 warehouse and 1 office building	Factory	30 December 2023	304,142
2	one block of chemical store	Factory	28 January 2024	15,280
3	Ext work for 1 factory building	Factory	30 April 2024	4,559
				323,981

As at 30 April 2024, the Group had 6 building construction projects in progress with an aggregate contract sum of approximately RM910.9 million of which 4 were factory projects, 1 was commercial project, and 1 was infrastructure project.

Management Discussion and Analysis (Continued)

The following table sets out of building construction projects which remained ongoing as at 30 April 2024:

No.	Description of works	Approximate Contract Sum (RM'000)
1	Factory Projects	93,586
2	Commercial Project	566,489
3	Infrastructure Project	250,864
		910,939

During 1H2024, the Group submitted 10 tenders for factory projects, 3 tenders for institutional projects and 1 tender for commercial project. The Group was awarded 3 factory contracts with an aggregate contract sum of approximately RM86.5 million.

OUTLOOK

According to the IMF's World Economic Outlook in April 2024, the baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025, will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

However, on the home front, there is a more optimistic outlook as Bank Negara Malaysia forecast that Malaysian economy is projected to grow between 4%–5% in 2024, driven by continued expansion in domestic demand, and improvement in external demand.

Management Discussion and Analysis (Continued)

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RM94.4 million, or 42.9%, from approximately RM220.1 million for 1H2023 to approximately RM125.7 million for 1H2024. Such decrease was mainly due to the completion of a sizeable factory project in early 1H2024 and substantial completion of a commercial and residential project in 1H2024. New factory projects awarded in 1H2024 were still in the early stage of construction.

	6 months ended 30 April			
	2024	% of total revenue	2023	% of total revenue
	Revenue (RM'000)		Revenue (RM'000)	
Factory projects	71,599	57.0	117,595	53.4
Institutional, commercial and/or residential projects	21,317	17.0	75,635	34.4
Infrastructure project	31,653	25.2	26,229	11.9
Others	1,122	0.8	671	0.3
	125,691	100.0	220,130	100.0

During 1H2024, the revenue attributable to factories and institutional, commercial and/or residential buildings amounted to approximately RM71.6 million and approximately RM21.3 million (1H2023: approximately RM117.6 million and approximately RM75.6 million), respectively, representing approximately 57.0% and 17.0% (1H2023: approximately 53.4% and 34.4%), of the total revenue of the Group.

As at 30 April 2024, the Group had an outstanding order book of approximately RM296.9 million (31 October 2023: approximately RM689.6 million).

Gross Profit/(Loss) and Gross Profit Margin

The Group recorded a gross loss of approximately RM2.2 million for 1H2024 as compared to the gross profit of approximately RM13.1 million for 1H2023. The Group recorded a drop in gross profit margin from approximately 5.9% for 1H2023 to gross loss of 1.8% for 1H2024. The turnaround was mainly due to (i) the lower recognition of revenue for one of the Group's projects due to work done for variation orders not fully certified; and (ii) increased costs incurred to complete one of the Group's projects.

Other Income, Gain and Loss

The Group's other income, gain and loss increased from approximately RM1.8 million for 1H2023 to approximately RM2.3 million for 1H2024 which was mainly due to (i) increase in fixed deposit interest rate and (ii) increase in profit on disposal of property, plant and equipment.

Management Discussion and Analysis (Continued)

Administrative and Other Expenses

The Group's administrative and other expenses decreased by approximately RM0.2 million or 5.6% from approximately RM3.6 million for 1H2023 to approximately RM3.4 million for 1H2024 which was mainly due to decrease in staff cost as the result of reduce in workforce.

Finance Costs

The Group's finance costs decreased by approximately RM8,000 from approximately RM10,000 for 1H2023 to approximately RM2,000 for 1H2024 which was mainly due to decrease in bank borrowings.

Income Tax Expense

The Group's income tax expense decreased by approximately RM3.0 million or 100.0% from approximately RM3.0 million for 1H2023 to nil for 1H2024 due to decrease of taxable profit.

Loss/Profit Attributable to the Owners of the Company

As a result of the foregoing, the Group reported loss attributable to owners of the Company of approximately RM3.3 million for 1H2024 (1H2023: profit of approximately RM8.2 million), representing a decrease of approximately RM11.5 million or 140.2% as compared with 1H2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Gearing ratio of the Group (calculated by dividing the total debts (lease liabilities) by total equity and multiplied by 100%) remained the same for approximately 0.0% as at 31 October 2023 and 30 April 2024.

During 1H2024, the Group maintained a healthy liquidity position with working capital being financed through cash generated from operations. As at 30 April 2024, the Group's bank balances and cash was approximately RM46.3 million (31 October 2023: approximately RM57.4 million) and the Group's restricted bank deposits were approximately RM14.0 million (31 October 2023: approximately RM13.8 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.

As at 30 April 2024, the current ratio of the Group was approximately 2.2 times (31 October 2023: approximately 1.7 times).

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

Capital Structure

As at 30 April 2024, the capital structure of the Group consisted of equity of approximately RM149.9 million (31 October 2023: approximately RM153.3 million) and bank borrowings of nil (31 October 2023: nil) as more particularly described in the paragraph headed "Borrowings" below.

Management Discussion and Analysis (Continued)

Borrowings

As at 30 April 2024, the Group did not have any outstanding bank borrowings and the unutilised facility for bank overdraft amounted to approximately RM500,000 (31 October 2023: 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 report. 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 RM4.5 million, or 3.4%, from approximately RM132.2 million as at 31 October 2023 to approximately RM127.7 million as at 30 April 2024, which was a combined effect of the decrease in trade and other receivables of approximately RM56.7 million, decrease in contract assets of approximately RM29.8 million, increase in restricted bank deposit of approximately RM0.2 million, increase in tax recoverable approximately RM5.0 million, decrease in bank balance and cash approximately RM11.1 million, decrease in trade and other bill payables approximately RM52.9 million and decrease in contract liabilities approximately RM34.9 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 1H2024, the Group made a material capital expenditures of approximately RM0.68 million to acquire D3 Sharing System 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 1H2024. There was no future plan for material investments or capital assets as at 30 April 2024.

SIGNIFICANT EVENT DURING 1H2024

The Group did not have any significant event during 1H2024.

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment (except for its subsidiaries) during 1H2024.

CONTINGENT LIABILITY

Save as disclosed in note 15 to the condensed consolidated financial statements, the Group had no contingent liabilities as at 30 April 2024.

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 every individual customer, therefore significant concentrations of credit risk primarily arise when the Group had significant exposure to individual customers. As at 30 April 2024, approximately 0.0% (31 October 2023: 46.4%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 64.9% (31 October 2023: 84.2%) 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 matrix and taking into account the monthly ageing in the past 3 years, in which the 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 30 April 2024, restricted bank deposits of approximately RM14.0 million (31 October 2023: approximately RM13.8 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM6.9 million (31 October 2023: approximately RM30.1 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.

Management Discussion and Analysis (Continued)

CAPITAL COMMITMENTS

As at 30 April 2024, the Group did not have any capital commitments (31 October 2023: 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 30 April 2024, the Group's workforce stood at 127 employees, 96 were Malaysian workers and 31 were foreign workers as compared with 152 employees as at 30 April 2023, of which 115 were Malaysian workers and 37 were foreign workers as at 30 April 2023.

Total staff costs (excluded directors' emoluments) decreased by approximately RM0.9 million from approximately RM5.9 million for 1H2023 to approximately RM5.0 million for 1H2024, which was mainly due to 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.

Management Discussion and Analysis (Continued)

USE OF PROCEEDS

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 1H2024:

Business Strategies	Approximate	Approximate	Approximate	Revised	Approximate	Approximate	Approximate	Approximate	Expected
	planned		unutilised net			allocation of		unutilised net	
	percentage of	planned use of	proceeds as	the unutilised	amount utilised	proceeds as	amount utilised	proceeds as at	utilising the
	total amount	net proceeds	at 31 October	net proceeds	during FY2023	at 31 October	during 1H2024	30 April 2024	unutilised net
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	proceeds
									proceeds
Strengthening capital base for potential building projects	39.4%	28,924	15,777	Remain Unchanged	6,129	9,648	-	9,648	On or before end of year 2024
Acquisition of machinery & equipment	31.2%	22,972	22,117	14,840	-	14,840	1,114	13,726	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	674	954	On or before end of year 2024
Collateral for banking facilities and funding for sinking fund	6.1%	4,512	-	-	-	-	-	-	-
Expansion of workforce to support business expansion	5.3%	3,892	-	-	-	-	-	-	-
Set up branch office in Kuala Lumpur	1.9%	1,450	1,450	Remain Unchanged	-	1,450	-	1,450	On or before end of year 2024
Working capital and other general corporate purpose	9.6%	6,981	-	-	-	-	-	-	-
Total	100%	73,512	44,125	-	16,559	27,566	1,788	25,778	

Management Discussion and Analysis (Continued)

As at the end of 1H2024, the amount of the net proceeds which remained unutilised amounted to approximately HK\$25.8 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.

COMPETING BUSINESS

During 1H2024, none of the Controlling Shareholders of the Company 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company maintains a high standard of corporate governance practices. The Directors believe that long-term sustainable prosperity as opposed to short-term rewards shall serve as the Company's corporate governance objective. The Board does not take risks to make short-term gains at the expense of the long-term objectives. The Company has adopted the code provisions set out in the Corporate Governance Code to the Appendix C1 (the "CG Code") to the Listing Rules. The Company has complied with all the CG Code provisions during 1H2024.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 April 2024, the interests of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO"), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Long position in the shares of the Company ("Shares")

Name of Director(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
Mr. Low Seah Sun	Interest of a controlled corporation (Note)	945,000,000	75%

Note: Mr. Low Seah Sun beneficially owns 40% of the issued shares of RBC Venture Limited, which in turn holds 75% of the Shares. Therefore, Mr. Low Seah Sun is deemed to be, or taken to be, interested in the Shares held by RBC Venture Limited under the SFO. Mr. Low Seah Sun is a director of RBC Venture Limited.

Corporate Governance and Other Information (Continued)

Long position in the shares of the associated corporation(s)

Name of Director(s)	Name of associated corporation(s)	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage of the total number of issued shares of the associated corporation(s)
Mr. Low Seah Sun	RBC Venture Limited (Note)	Beneficial owner	40	40%
Ms. Seah Peet Hwah	RBC Venture Limited (Note)	Beneficial owner	30	30%
Mr. Cheang Wye Keong	RBC Venture Limited (Note)	Beneficial owner	20	20%
Mr. Lau Ah Cheng	RBC Venture Limited (Note)	Beneficial owner	10	10%

Note: RBC Venture Limited is the holding company of the Company and an associated corporation by virtue of the SFO.

Save as disclosed above, as at 30 April 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Corporate Governance and Other Information (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors or the chief executive of the Company are aware of, as at 30 April 2024, the following corporation/person (not being a Director or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name of Shareholder(s)	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total number of issued Shares
RBC Venture Limited	Beneficial owner (Note 1)	945,000,000	75%
Ms. Lai Swee Yin	Interest of spouse (Note 2)	945,000,000	75%

Notes:

1. RBC Venture Limited is an investment holding company incorporated in the BVI and is owned as to 40%, 30%, 20% and 10% by Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong and Mr. Lau Ah Cheng, respectively.
2. Ms. Lai Swee Yin is the spouse of Mr. Low Seah Sun. Therefore, Ms. Lai Swee Yin is deemed to be interested in the Shares which Mr. Low Seah Sun is interested under the SFO.

Save as disclosed above, so far as the Directors or the chief executive of the Company are aware of, as at 30 April 2024, no corporation/person (not being a Director or the chief executive of the Company) had any interests or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Following specific enquiries to all the Directors, each of them has confirmed that they have complied with the Required Standard of Dealings during 1H2024.

Corporate Governance and Other Information (Continued)

DIRECTORS' RIGHTS TO ACQUIRE SHARE OR DEBENTURES

At no time during 1H2024 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follows:

1. Subsequent to the date of the annual report of the Company for the year ended 31 October 2023, Mr. Tong Kai Tak, a non-executive Director, has been resigned as an independent non-executive director of Plateau Treasures Limited (formerly GT Steel Construction Group Limited) (Stock Code: 8402), the shares of which are listed on GEM of the Stock Exchange, with effect from 31 January 2024.

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 31 March 2020 to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of our Group and to promote the success of the business of our Group. As at 30 April 2024, there were no outstanding share options. No share options were granted, exercised or cancelled or lapsed during 1H2024.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during 1H2024.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for 1H2024 (1H2023: RM0.0182).

PRE-EMPTIVE RIGHTS

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

Corporate Governance and Other Information (Continued)

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 part 2 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 unaudited consolidated results of the Group for 1H2024 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.

FOR AND ON BEHALF OF THE BOARD

Low Seah Sun

Chairman

Malaysia

26 June 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 April 2024

	NOTES	6 months ended 30 April	
		2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Revenue	4	125,691	220,130
Cost of services		(127,892)	(207,069)
Gross (loss)/profit		(2,201)	13,061
Other income, gain and loss	5	2,305	1,819
Share of results of an associate		14	(61)
Administrative and other expenses		(3,429)	(3,609)
Finance costs	6	(2)	(11)
(Loss)/profit before tax	7	(3,313)	11,199
Income tax expense	8	–	(2,952)
(Loss)/profit for the period attributable to owners of the Company		(3,313)	8,247
Other comprehensive (expenses)/income			
<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		(8)	(414)
Other comprehensive expense for the period, net of income tax		(8)	(414)
Total comprehensive (expense)/income for the period attributable to owners of the Company		(3,321)	7,833
Earnings per share in RM (cents)			
– Basic and diluted	9	(0.26)	0.65

Condensed Consolidated Statement of Financial Position

As at 30 April 2024

	NOTES	As at	
		30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Non-current assets			
Property, plant and equipment		14,330	13,079
Investment properties		5,150	5,145
Right-of-use assets		785	785
Interest in an associate		1,257	1,291
Other non-current asset		68	68
Deferred tax assets		2,254	2,254
		23,844	22,622
Current assets			
Trade and other receivables	10	53,437	110,156
Contract assets	11	111,940	141,651
Tax recoverable		7,459	2,467
Restricted bank deposits		14,013	13,826
Bank balances and cash		46,334	57,448
		233,183	325,548
Current liabilities			
Trade, bills and other payables	12	101,504	154,357
Contract liabilities	11	1,080	36,049
Tax payables		1,249	1,249
Lease liabilities		271	271
Provisions	13	1,403	1,403
		105,507	193,329
Net current assets		127,676	132,219
Total assets less current liabilities		151,520	154,841

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 April 2024

	NOTES	As at	
		30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Non-current liabilities			
Lease liabilities		515	515
Deferred tax liabilities		1,063	1,063
		1,578	1,578
Net assets			
		149,942	153,263
Capital and reserves			
Share capital	14	7,033	7,033
Reserves		142,909	146,230
Total equity			
		149,942	153,263

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 April 2024

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000 (note)	Translation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 November 2022 (audited)	7,033	49,022	2,050	(1,732)	99,844	156,217
Profit for the period	-	-	-	-	8,247	8,247
Other comprehensive income for the period	-	-	-	(414)	-	(414)
Total comprehensive income for the period	-	-	-	(414)	8,247	7,833
At 30 April 2023 (unaudited)	7,033	49,022	2,050	(2,146)	108,091	164,050
At 1 November 2023 (audited)	7,033	49,022	2,050	(1,763)	96,921	153,263
(Loss) for the period	-	-	-	-	(3,313)	(3,313)
Other comprehensive expense for the period	-	-	-	(8)	-	(8)
Total comprehensive income/ (expense) for the period	-	-	-	(8)	(3,313)	(3,321)
At 30 April 2024 (unaudited)	7,033	49,022	2,050	(1,771)	93,608	149,942

Note: Amount represents the effects of the acquisition of the entire interest of Rimbaco Sdn. Bhd. ("Rimbaco") and Rimbaco Property Sdn. Bhd. ("Rimbaco Property") from the Controlling Shareholders (as defined in note 1) by issue of 900 ordinary shares of the Company as part of the reorganisation as detailed in the prospectus of the Company dated 14 April 2020 ("Reorganisation"). The difference between the aggregate paid-in capital of RM2,050,000 as at 31 October 2018 and the paid-in capital of the Company of HK\$10 (equivalent to RM5) immediately upon the completion of the Reorganisation was accounted for as the merger reserve.

* Less than RM1,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 April 2024

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
OPERATING ACTIVITIES		
(Loss)/profit before tax	(3,313)	11,199
Adjustments for:		
Share of results of an associate	(14)	61
Depreciation of property, plant and equipment	972	1,797
Depreciation of investment properties	35	35
Gain on disposal of property, plant and equipment	(224)	–
Finance costs	2	11
Interest income	(1,306)	(963)
Operating cash flows before movements in working capital	(3,848)	12,140
Decrease/(increase) in trade and other receivables	56,720	(47,740)
Decrease/(increase) in contract assets	29,711	(3,238)
(Decrease)/increase in trade, bills and other payables	(52,854)	26,804
(Decrease)/increase in contract liabilities	(34,969)	11,205
Cash used in operations	(5,240)	(829)
Income tax paid	(4,993)	(1,709)
NET USED IN FROM OPERATING ACTIVITIES	(10,233)	(2,538)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	224	–
Dividend received from an associate	47	47
Interest income received	1,306	963
Purchase of property, plant and equipment	(2,223)	(63)
Placement of restricted bank deposits	(187)	(10,873)
Purchase of investment properties	(38)	(731)

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 April 2024

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
NET CASH USED IN INVESTING ACTIVITIES	(871)	(10,657)
FINANCING ACTIVITIES		
Finance costs paid	(2)	(11)
NET CASH USED IN FINANCING ACTIVITIES	(2)	(11)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,106)	(13,206)
CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	57,448	97,839
Effect of foreign exchange rate changes	(8)	(414)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by bank balances and cash	46,334	84,219

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2024

1. GENERAL INFORMATION

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 "Listing Date"). The Company's ultimate holding company and immediate holding company are both RBC Venture Limited, a company incorporated in the British Virgin Islands (the "BVI") which is ultimately owned by Mr. Low Seah Sun, Ms. Seah Peet Hwah, Mr. Cheang Wye Keong and Mr. Lau Ah Cheng (collectively referred as the "Controlling Shareholders").

The address of the Company's registered office is Winward 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.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended 31 October 2023 as set out in the 2023 annual report.

The functional currency of the Company is Hong Kong dollars ("HK\$"), which is different from the functional currency of the subsidiaries and the presentation currency, 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.

The Company acts as an investment holding company and the principal activity of its subsidiaries (together with the Company referred to as the "Group") is principally engaged in the provision of general contractor services in Malaysia.

3. APPLICATION OF NEW AND REVISED IFRS

For the purpose of preparing and presenting the condensed consolidated financial statements for the six months ended 30 April 2024, the Group has consistently applied all the new and amendments to IFRSs, which include IFRSs, International Accounting Standards, amendments and interpretations issued by the IASB, and the IFRS Interpretations Committee of the IASB throughout the period.

The Group has not yet adopted any new and amendments to IFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and amendments to IFRSs on the Group's results and financial position.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on provision of building construction services for the period.

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 Group 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 during the period is as follows:

	6 months ended 30 April	
	2024	2023
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue from contracts with customers recognised over time and disaggregated by types of building construction projects:		
Factory projects	71,599	117,595
Institutional, commercial and/or residential projects	21,317	75,635
Infrastructure project	31,653	26,229
Others	1,122	671
	125,691	220,130

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

5. OTHER INCOME, GAIN AND LOSS

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Bank interest income	1,306	966
Rental income	41	35
Gain on disposal of property, plant and equipment	223	–
Others	735	818
	2,305	1,819

6. FINANCE COSTS

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Interest on:		
Bank borrowings and bank overdraft	2	11
	2	11

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

7. (LOSS)/PROFIT BEFORE TAX

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Profit before tax has been arrived at after charging:		
Directors' emolument	959	941
Other staff costs:		
Salaries, wages and other allowances	4,657	5,350
Retirement benefit scheme contributions, excluding those of directors	447	495
Total staff costs	6,063	6,786
Auditor's remuneration	461	434
Depreciation of property, plant and equipment	972	1,797
Depreciation of investment properties	35	35

8. INCOME TAX EXPENSE

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Income tax charge comprises:		
Malaysia Corporate Income Tax		
– current period	–	2,952

Malaysian Corporate Income Tax is calculated at the statutory tax rate on the estimated assessable profit for the periods.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

9. EARNINGS PER SHARE

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

	6 months ended 30 April	
	2024 RM'000 (unaudited)	2023 RM'000 (unaudited)
Earnings		
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	(3,313)	8,247
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousand)	1,260,000	1,260,000

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Trade receivables from contracts with customers	50,537	110,254
Less: Allowance for doubtful debts/credit losses	(4,574)	(4,574)
Trade receivables, net (note i)	45,963	105,680
Other receivables, deposits and prepayments		
– Other receivables	233	599
– Rental and other deposits	1,160	1,305
– Prepayments	6,102	2,593
	7,495	4,497
Less: Loss allowance on other receivables	(21)	(21)
Other receivables, deposits and prepayments, net	7,474	4,476
Total trade and other receivables	53,437	110,156

Note:

- (i) The Group allows an average credit period of no longer than 60 days to most of its customers. The Group may at its discretion grant a longer credit period to specific customers on a case-by-case basis.

The following is an aged analysis of the Group's trade receivables based on the date of billing documents at the end of each reporting period:

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Within 30 days	28,455	74,624
31–60 days	8,456	21,411
61–90 days	6,733	5,160
Over 90 days	2,319	4,485
	45,963	105,680

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

11. CONTRACT ASSETS

(a) Contract Assets

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Analysed as current:		
Unbilled revenue of construction contracts	43,356	67,540
Retention receivables of construction contracts	70,296	75,823
	113,652	143,363
Less: allowance on contract assets	(1,712)	(1,712)
	111,940	141,651

Notes:

- (i) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.
- (ii) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

The retention receivables of the Construction contracts to be settled based on the date of completion of construction projects/expiry of the defect liability period, at end of each reporting period are as follow:

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Retention receivables of construction contracts		
Due within one year	42,310	40,485
Due more than one year, but not exceeding two years	27,482	9,009
Due more than two years, but not exceeding five years	504	26,329
	70,296	75,823

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

11. CONTRACT ASSETS (Continued)

(b) Contract Liabilities

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Advances from customers of building construction contracts	1,080	36,049

When the Group receives a deposit before the construction work commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

The decrease in contract liabilities as at 30 April 2024 was mainly due to decrease in billing for building construction services.

Revenue from building construction contracts recognised during 1H2024 that was included in the contract liabilities at the beginning of the year is approximately RM36,049,000.

12. TRADE, BILLS AND OTHER PAYABLES

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Trade and bills payables (note i)	51,881	102,788
Retention payables	48,841	47,626
Accruals	576	3,574
Other payables	206	369
	101,504	154,357

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

12. TRADE, BILLS AND OTHER PAYABLES (Continued)

Note:

- (i) The normal credit period granted is ranged from 30 to 60 days. The Group has financial risk management measures in place to ensure that all payables are settled within the credit time frame.

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

	As at	
	30 April 2024	31 October 2023
	RM'000	RM'000
	(unaudited)	(audited)
Within 30 days	14,524	66,336
31–60 days	16,484	17,590
61–90 days	6,853	6,649
Over 90 days	14,020	12,213
	51,881	102,788

13. PROVISIONS

Provision for onerous contracts

	As at	
	30 April 2024	31 October 2023
	RM'000	RM'000
	(unaudited)	(audited)
As at 31 October 2022 & 1 November 2023	1,403	1,403
Additional for the Period	–	–
As at 30 April 2024	1,403	1,403

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

14. SHARE CAPITAL

	Number of shares	Amount HK\$	Amount RM'000
Ordinary shares of HK\$0.01 each			
Authorised			
At 31 October 2022 and 2023 (audited)/30 April 2024 (unaudited)	10,000,000,000	100,000,000	N/A
Issued and fully paid			
At 31 October 2022 and 2023 (audited)/30 April 2024 (unaudited)	1,260,000,000	12,600,000	7,033

Note: All shares issued rank pari passu with the existing shares in all respects.

15. CONTINGENT LIABILITIES

(a) Performance bonds

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Performance bonds for construction contracts in favour of customers	6,852	30,087

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 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 30 April 2024, certain of the Group's performance bonds were guaranteed by the Company.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2024

15. CONTINGENT LIABILITIES (Continued)

(b) Completion guarantee

	As at	
	30 April 2024 RM'000 (unaudited)	31 October 2023 RM'000 (audited)
Completion guarantee for construction contract in favour of customers	12,865	12,865

As at 30 April 2024, 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.