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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 2024 AND
CHANGE IN USE OF PROCEEDS**

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 2024 (“**FY2024**”), together with the comparative audited figures for the year ended 31 October 2023 (“**FY2023**”). 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 2024

	<i>Notes</i>	2024 RM'000	2023 <i>RM'000</i>
Revenue	3	289,184	510,437
Cost of services		<u>(285,135)</u>	<u>(476,732)</u>
Gross profit		4,049	33,705
Other income, gain and loss	4	4,364	5,885
Share of result of an associate		181	231
Administrative and other expenses		(8,348)	(9,025)
Loss allowances on trade and other receivables and contract assets, net		(979)	(3,684)
Finance costs	5	<u>(21)</u>	<u>(3)</u>
(Loss) profit before tax	6	(754)	27,109
Income tax expense	7	<u>(798)</u>	<u>(7,102)</u>
(Loss) profit for the year		<u>(1,552)</u>	<u>20,007</u>
Other comprehensive expense			
<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>(288)</u>	<u>(31)</u>
Other comprehensive expense for the year, net of income tax		<u>(288)</u>	<u>(31)</u>
Total comprehensive (expense) income for the year attributable to owners of the Company		<u>(1,840)</u>	<u>19,976</u>
(Loss) earnings per share (RM cents)			
– Basic and diluted	8	<u>(0.12)</u>	<u>1.59</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

		2024	2023
	<i>Notes</i>	<i>RM'000</i>	<i>RM'000</i>
Non-current assets			
Property, plant and equipment		20,601	13,079
Investment properties		5,275	5,145
Right-of-use assets		655	785
Interest in an associate		1,423	1,291
Other non-current assets		68	68
Deferred tax assets		3,616	2,254
		31,638	22,622
Current assets			
Trade and other receivables	10	99,691	110,156
Contract assets	11	82,228	141,651
Tax recoverable		4,739	2,467
Restricted bank deposits	12	11,390	13,826
Bank balances and cash	12	62,794	57,448
		260,842	325,548
Current liabilities			
Trade, bills and other payables	13	136,777	154,357
Contract liabilities	11	2,554	36,049
Tax payables		62	1,249
Lease liabilities		357	271
Provisions	14	–	1,403
		139,750	193,329
Net current assets		121,092	132,219
Total assets less current liabilities		152,730	154,841

	<i>Notes</i>	2024 RM'000	2023 <i>RM'000</i>
Non-current liabilities			
Lease liabilities		305	515
Deferred tax liabilities		1,002	1,063
		<u>1,307</u>	<u>1,578</u>
		151,423	153,263
Capital and reserves			
Share capital	15	7,033	7,033
Reserves		144,390	146,230
		<u>151,423</u>	<u>153,263</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Rimbaco Group Global Limited (the “**Company**”) is 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 9-03-01, Jalan Ahmad Nor, Pusat Perdagangan Nova, 11600 Jelutong, 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 the first time, the following new and amendments to IFRSs, which include IFRSs, International Accounting Standards (“**IAS(s)**”), amendments and interpretations (“**IFRIC**”) issued by the International Accounting Standards Board (the “**IASB**”) which are effective for the Group’s financial year beginning on 1 November 2023.

IFRS 17	Insurance Contracts and related Amendments
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions 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 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to 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 amendments also clarify that 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. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies in the consolidated financial statements.

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	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ¹
Amendments to IAS 21	Lack of Exchangeability ²
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
IFRS 18	Presentation and Disclosure in Financial Statements ⁴
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

⁵ Effective for annual periods beginning on or after a date to be determined.

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

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	
	2024	2023
	<i>RM’000</i>	<i>RM’000</i>
Revenue from contracts with customers recognised over time and disaggregated by types of building construction services:		
Factory projects	155,152	314,513
Institutional, commercial and/or residential projects	48,084	137,229
Infrastructure project	84,170	56,203
Others	1,778	2,492
	<u>289,184</u>	<u>510,437</u>

4. OTHER INCOME, GAIN AND LOSS

	Year ended 31 October	
	2024	2023
	RM'000	RM'000
Bank interest income	2,113	2,238
Gain on disposal of property, plant and equipment	331	2,197
Handling charges charged to a sub-contractor for material purchased on behalf	1,350	1,385
Rental income (<i>note</i>)	339	64
Written off of property, plant and equipment	(7)	(2)
Others	238	3
	<u>4,364</u>	<u>5,885</u>

Note:

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

	Year ended 31 October	
	2024	2023
	RM'000	RM'000
Gross rental income from investment properties	339	64
Less:		
– direct operating expenses incurred for investment properties that generated rental income during the year (included in administrative and other expenses)	(16)	(15)
– direct operating expenses incurred for investment properties that did not generate rental income during the year (included in administrative and other expenses)	(28)	(29)
	<u>295</u>	<u>20</u>

5. FINANCE COSTS

	Year ended 31 October	
	2024	2023
	RM'000	RM'000
Interest on:		
Lease liabilities	21	3
	<u>21</u>	<u>3</u>

6. (LOSS) PROFIT BEFORE TAX

	Year ended 31 October	
	2024 <i>RM'000</i>	2023 <i>RM'000</i>
(Loss) profit before tax has been arrived at after charging (crediting):		
Directors' emolument	2,936	3,005
Other staff costs:		
Salaries, wages and other benefits	10,940	12,356
Retirement benefit scheme contribution, excluding those of directors	863	1,117
Total staff costs	14,739	16,478
Auditor's remuneration	586	556
Depreciation of property, plant and equipment	2,280	3,196
Depreciation of investment properties	89	86
Depreciation of right-of-use assets	317	105
Construction material costs (included in cost of services)	25,466	54,127
Subcontracting costs (included in cost of services)	229,120	376,252
Reversal of provision for onerous contracts (included in cost of services)	(1,403)	(535)

7. INCOME TAX EXPENSE

	Year ended 31 October	
	2024 <i>RM'000</i>	2023 <i>RM'000</i>
Malaysian Corporate Income Tax		
– current year	2,022	8,136
– prior years	199	(48)
Deferred tax	(1,423)	(986)

Malaysian Corporate Income Tax is calculated at the statutory tax rate of 24% on the estimated assessable profit for the years ended 31 October 2024 and 2023.

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 jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

8. (LOSS) EARNINGS PER SHARE

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

	Year ended 31 October	
	2024	2023
	RM'000	RM'000
(Loss) earnings		
(Loss) earnings for the purpose of basic earnings per share	<u>(1,552)</u>	<u>20,007</u>
	Year ended 31 October	
	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>1,260,000,000</u>	<u>1,260,000,000</u>

The diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 October 2024 and 2023.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 October 2024.

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.

Subsequent to the end of the reporting period, no dividend was proposed since the end of the reporting period (2023: nil).

10. TRADE AND OTHER RECEIVABLES

	As at 31 October	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
		Restated
Trade receivables from contract with customers	90,405	95,443
Less: loss allowance on trade receivables	(4,730)	(2,982)
	<hr/>	<hr/>
Trade receivables, net	85,675	92,461
	<hr/>	<hr/>
Other receivables, deposits and prepayments		
– Other receivables	11,580	15,410
– Rental and other deposits	550	1,305
– Prepayments	2,581	2,593
	<hr/>	<hr/>
	14,711	19,308
Less: loss allowance on other receivables	(695)	(1,613)
	<hr/>	<hr/>
Other receivables, deposits and prepayments, net	14,016	17,695
	<hr/>	<hr/>
Total trade and other receivables	99,691	110,156
	<hr/> <hr/>	<hr/> <hr/>

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 2024, other receivables amounted to RM50,248,000 (2023: RM34,564,000) 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	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
		Restated
Within 30 days	62,329	71,667
31 to 60 days	12,964	16,449
61 to 90 days	408	2,965
Over 90 days	9,974	1,380
	<hr/>	<hr/>
Total	85,675	92,461
	<hr/> <hr/>	<hr/> <hr/>

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 October	
	2024	2023
	RM'000	RM'000
Analysed as current:		
Unbilled revenue of construction contracts	46,348	67,540
Retention receivables of construction contracts	37,742	75,823
	<u>84,090</u>	<u>143,363</u>
Less: loss allowance on contract assets	(1,862)	(1,712)
	<u>82,228</u>	<u>141,651</u>

(b) Contract liabilities

	As at 31 October	
	2024	2023
	RM'000	RM'000
Advances from customers of building construction contracts	2,554	36,049

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 2024, these deposits carry the interest rate ranged from 2.3% to 3.65% (2023: 2.5% to 3.0%) 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 2024 and 2023. As at 31 October 2024, the interest rate of these bank deposits ranged from 0.6% to 2.7% (2023: 0.2% to 4.05%) per annum.

13. TRADE, BILLS AND OTHER PAYABLES

	As at 31 October	
	2024	2023
	RM'000	RM'000
Trade and bills payables	90,822	102,788
Retention payables	41,392	47,626
Accruals	3,974	3,574
Other payables	589	369
	<u>136,777</u>	<u>154,357</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.

	As at 31 October	
	2024	2023
	RM'000	RM'000
Within 30 days	47,474	66,336
31 to 60 days	19,326	17,590
61 to 90 days	6,677	6,649
Over 90 days	17,345	12,213
	<u>90,822</u>	<u>102,788</u>

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 2024 and 2023 are set out below:

	<i>RM'000</i>
As at 1 November 2022	1,938
Reversal for the year	<u>(535)</u>
As at 31 October 2023	1,403
Reversal for the year	<u>(1,403)</u>
As at 31 October 2024	<u>–</u>

15. SHARE CAPITAL

Ordinary share of HK\$0.01 each	Number of Ordinary shares	Amount HK\$	Amount RM'000
<i>Authorised:</i>			
At 1 November 2022, 31 October 2023 and 2024	<u>10,000,000,000</u>	<u>100,000,000</u>	<u>N/A</u>
<i>Issued and fully paid:</i>			
At 1 November 2022, 31 October 2023 and 2024	<u>1,260,000,000</u>	<u>12,600,000</u>	<u>7,033</u>

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	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
Performance bonds for construction contracts in favour of customers	16,802	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 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 2024 and 2023, certain of the Group's performance bonds were guaranteed by the Company.

(b) Completion guarantee

	As at 31 October	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
Completion guarantee for construction contract in favour of a customer	12,865	12,865

As at 31 October 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.

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 FY2024, the Group completed 7 construction projects with an aggregate contract sum of approximately RM903.2 million of which 6 were factory projects, 1 was commercial and residential project.

The following table sets out details of the projects completed by the Group during FY2024:

No.	Name	Description of Works	Completion Date	Original/ Revised Contract Sum (RM'000)
1	construction of 3 production factory buildings, 1 warehouse building and 1 office building	Factory	30 December 2023	320,000
2	construction 1 block of chemical store	Factory	28 January 2024	14,929
3	external work for 1 factory building	Factory	30 April 2024	4,559
4	site temporary facilities and site preparation work	Factory	1 May 2024	6,050
5	substation building work	Factory	30 July 2024	6,839
6	upgrade 1 production factory building	Factory	15 October 2024	8,904

No.	Name	Description of Works	Completion Date	Original/ Revised Contract Sum (RM'000)
7	design and construction of commercial residential nine storey commercial podium with parking lots, 18 storey office building, 18 storey hotel and 30 storey service apartment	Commercial	28 September 2024	541,939
				<hr/>
				<u>903,220</u>

As at 31 October 2024, the Group had 3 building construction projects in progress with an aggregate contract sum of approximately RM451.5 million of which 1 was factory project, 1 was institutional project and 1 was infrastructure project.

The following table sets out of building construction projects which remained ongoing as at 31 October 2024:

No.	Description of Works	Approximate Contract Sum (RM'000)
1	Infrastructure: Pipeline & Reservoir Works	250,864
2	Factory: construction of one block 2-storey logistics building	84,934
3	Institutional: addition to the existing 4-storey hospital building and addition of 1 block of new 7-storey hospital building	115,700
		<hr/>
		<u>451,498</u>

During FY2024, the Group submitted 13 tenders for factory projects, 2 tenders for commercial projects and 6 tenders for institutional projects. The Group was awarded 3 factory and 1 institutional contracts with an aggregate contract sum of approximately RM84.9 million and RM115.7 million respectively.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RM221.2 million, or 43.3%, from approximately RM510.4 million for FY2023 to approximately RM289.2 million for FY2024. Such decreased was mainly due to (i) substantial completion of a sizable factory project and a commercial project and (ii) the size of new projects is either small or still in early stage of construction.

	Year ended 31 October			
	2024		2023	
	Revenue (RM'000)	% of total revenue	Revenue (RM'000)	% of total revenue
Factory projects	155,152	53.7	314,513	61.6
Institutional, commercial and/or residential projects	48,084	16.6	137,229	26.9
Infrastructure project	84,170	29.1	56,203	11.0
Others	1,778	0.6	2,492	0.5
	<u>289,184</u>	<u>100.0</u>	<u>510,437</u>	<u>100</u>

During FY2024, the revenue attributable to factories, institutional, commercial and/or residential buildings and infrastructure project amounted to approximately RM155.2 million, RM48.1 million and RM84.2 million respectively (FY2023: approximately RM314.5 million, RM137.2 million and RM56.2 million respectively), representing approximately 53.7%, 16.6% and 29.1% (FY2023: approximately 61.6%, 26.9% and 11.0%), of the total revenue of the Group.

As at 31 October 2024, the Group had an outstanding order book of approximately RM278.9 million (31 October 2023: approximately RM382.7 million).

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately RM29.7 million, from approximately RM33.7 million for FY2023 to approximately RM4.0 million for FY2024. The decrease in gross profit margin of approximately 6.6% in FY2023 to approximately 1.4% in FY2024 was mainly contributed by the substantial descope of a sizable factory project and lower profit margin for certain new projects due to competitive pricing.

Other Income, Gain and Loss

The Group's other income, gain and loss decreased from approximately RM5.9 million for FY2023 to approximately RM4.4 million for FY2024 which was mainly due to decrease on gain on disposal of fixed asset.

Administrative and Other Expenses

The Group's administrative and other expenses decreased by approximately RM0.7 million or 7.8% from approximately RM9.0 million for FY2023 to approximately RM8.3 million for FY2024, which was mainly due to (i) stamp duties of RM0.6 million on banking facilities for FY2023 (2024: nil) and (ii) reduction of director bonus for FY2024 as compared to FY2023.

Finance Costs

The Group's finance costs increased by approximately RM18,000 from approximately RM3,000 for FY2023 to approximately RM21,000 for FY2024 which was mainly due to increase in lease liabilities interest.

Income Tax Expense

The Group's income tax expense decreased from approximately RM7.1 million for FY2023 to approximately RM0.8 million for FY2024 which was mainly due to lower taxable profit in FY2024.

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 RM1.6 million for FY2024 (FY2023: profit of approximately RM20.0 million), representing a decrease of approximately RM21.6 million or 108.0% as compared with FY2023.

FUTURE PROSPECTS

While Malaysia's construction industry is experiencing remarkable growth, it remains competitive. The industry is facing inflationary pressure due to rising material costs, labour shortages, and sustainable practices require careful navigation and innovative solutions.

Tender prices are expected to rise due to the increased cost of essential materials such as sand, concrete, and cement. The industry is also grappling with a shortage of skilled labour, which has led to rising wages for certain trades. While the return of foreign workers is expected to alleviate some pressure on labour costs, attracting and retaining skilled talent remains a key challenge.

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 2025 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 at nil as at 31 October 2023 and 31 October 2024.

During FY2024, the Group maintained a healthy liquidity position with working capital being financed through cash generated from financing activities. As at 31 October 2024, the Group's bank balances and cash was approximately RM62.8 million (31 October 2023: approximately RM57.4 million) and the Group's restricted bank deposits was approximately RM11.4 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 during this challenging time.

As at 31 October 2024, the current ratio of the Group was approximately 1.9 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 needs.

Capital Structure

As at 31 October 2024, the capital structure of the Group consisted of equity of approximately RM151.4 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.

Borrowings

As at 31 October 2024, the Group did not have any outstanding bank borrowings. 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 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 RM11.1 million, or 8.4%, from approximately RM132.2 million as at 31 October 2023 to approximately RM121.1 million as at 31 October 2024, which was a combined effect of the decrease in trade and other receivables of approximately RM10.5 million, decrease in contract assets of approximately RM59.5 million, increase in tax recoverable of approximately RM2.2 million, decrease in restricted bank deposits of approximately RM2.4 million, increase in bank balances and cash of approximately RM5.4 million, decrease in trade, bills and other payables of approximately 17.6 million, decrease in contract liabilities of approximately RM33.4 million and increase in lease liabilities of approximately RM0.1 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 FY2024, the Group made a material capital expenditures of approximately RM9.7 million, which includes the expenditure of approximately RM0.4 million to acquire 1 unit of excavator and approximately RM7.3 million to acquire a set of D3 shoring 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 FY2024. There was no future plan for material investments or capital assets as at 31 October 2024.

SIGNIFICANT EVENTS DURING FY2024

The Group did not have any significant event during FY2024.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment (except for its subsidiaries) during FY2024.

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 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 the credit risk primarily arise when the Group had significant exposure to individual customers. As at 31 October 2024, approximately 24.8% (31 October 2023: 46.4%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 73.9% (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 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 2024, restricted bank deposits of approximately RM11.4 million (31 October 2023: approximately RM13.8 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM16.8 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.

CAPITAL COMMITMENTS

As at 31 October 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 31 October 2024, the Group's workforce stood at 122 employees, 96 were Malaysian workers and 26 were foreign workers. As at 31 October 2023, the Group had 140 employees, 109 were Malaysian workers and 31 were foreign workers.

Total staff costs (excluded directors' emoluments) decreased by approximately RM1.7 million from approximately RM13.5 million during FY2023 to approximately RM11.8 million during FY2024 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. 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 AND CHANGE IN 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 business environment and development needs of the Group at that time, the Board had resolved to change the proposed use of the unutilised net proceeds. As at 31 October 2024, the amount of the net proceeds which remained unutilised amounted to approximately HK\$3.3 million, out of which HK\$1.4 million for the acquisition of machinery and equipment has been fully utilised as at the date of this announcement. Approximately HK\$0.5 million for the acquisition of land and construct a warehouse is expected to be utilised before 31 October 2025 as the construction work for the warehouse is still in progress. The remaining approximately HK\$1.4 million for setting up branch office in Kuala Lumpur still cannot be utilised as at the date of this announcement. As at the end of FY2024, the amount of the net proceeds which remained unutilised have been deposited in licensed banks.

After COVID-19 pandemic, the Group’s original business plan to set up branch office in Kuala Lumpur to expand our geographic coverage in West Malaysia cannot be implemented due to (i) fewer projects available in the central region and (ii) the Group’s strategy to concentrate in the northern region whereby the Group’s reputation has been well-established.

To enable the Group to better utilise its financial resources, the Board has resolved to further change the use of the unutilised proceeds in the amount of RM1.4 million to strengthening capital base for potential building projects. The Board considers that the change in the use of proceeds and the treatment of unutilised proceeds are fair and reasonable, and would meet the business strategy of the Group more efficiently and enhance the flexibility in financial management of the Company. The Board is of the view that the reallocation is in line with the business plan of the Group and will not adversely affect the operation and business of the Group and is in the best interests of the Company and the shareholders of the Company as a whole. Based on feasibility study and the current market condition, the Board is of the view that reallocating the unutilised net proceeds to strengthening capital base for potential building projects will allow the Group to deploy its financial resources more efficiently and to make better use of this fund. After reallocation, the net proceeds to strengthening capital base for potential building projects will be utilised on or before 31 October 2025.

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 FY2024:

Business strategies	Approximate planned percentage of total amount	Approximate planned use of net proceeds HK\$'000	Approximate	Revised allocation of the unutilised net proceeds HK\$'000	Approximate	Approximate unutilised net amount utilised during FY2023 HK\$'000	Approximate	Approximate unutilised net amount utilised during FY2024 HK\$'000	Approximate unutilised net amount utilised during FY2024 HK\$'000	Revised allocation of the unutilised net proceeds HK\$'000	Expected timeline for utilising the unutilised net proceeds HK\$'000
			unutilised net proceeds as at 31 October 2022 HK\$'000		unutilised net proceeds as at 31 October 2023 HK\$'000		unutilised net proceeds as at 31 October 2024 HK\$'000				
Strengthening capital base for potential building projects	39.4%	28,924	15,777	Remain Unchanged	6,129	9,648	9,648	-	1,450	On or before 31 October 2025	
Acquisition of machinery & equipment	31.2%	22,972	22,117	14,840	-	14,840	13,478	1,362	Remain unchanged	On or before 31 December 2024	
Acquisition of land and construct a warehouse	6.5%	4,781	4,781	12,058	10,430	1,628	1,132	496	Remain unchanged	On or before 31 October 2025	
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	-	-	
Working capital and other general corporate purpose	9.6%	6,981	-	-	-	-	-	-	-	-	
Total	100%	73,512	44,125	26,898	16,559	27,566	24,258	3,308			

SIGNIFICANT EVENTS AFTER FY2024

- 1) On 20 December 2024, Rimbaco Sdn. Bhd., an indirect wholly owned subsidiary of the Company, and Crimson Omega Sdn. Bhd. entered into the settlement agreement, pursuant to which, amongst others, Crimson Omega Sdn. Bhd. has agreed, amongst other things, to transfer the lands and the apartments to Rimbaco Sdn. Bhd (the “**Settlement Agreement**”).

The consideration for the settlement shall be RM10,500,000 for the lands and RM9,618,200 for the apartments (the “**Consideration**”), being part of the amount of RM22,949,323 owed from Crimson Omega Sdn. Bhd. to Rimbaco Sdn. Bhd., to be set off by the Consideration pursuant to the Settlement Agreement (the “**Receivables**”). Subject to the provisions under the Settlement Agreement, the Consideration shall be paid by the set off of the part of the amount of the Receivables.

For details of the transaction, please refer to the announcements of the Company dated 20 December 2024 and 10 January 2025.

- 2) On 20 September 2024, Rimbaco Sdn. Bhd., an indirect wholly owned subsidiary of the Company, received a letter from the Inland Revenue Board Malaysia (“**IRBM**”) notifying Rimbaco Sdn. Bhd. that they will make a tax audit on 8 October 2024 to assess that the taxable income reported was in accordance with the provision in the Income Act 1967 and regulation of the income tax rules. The aforesaid visit was later postponed to 5 November 2024.

However, as at the date of this announcement, IRBM has not finalised their assessment on the tax audit.

Save as disclosed above, the Group does not have any material subsequent event after FY2024 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 FY2024.

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 FY2024, 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 FY2024.

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 as set out in the Appendix C3 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 FY2024.

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 C1 (the "CG Code") to the Listing Rules. The Company has complied with all the CG Code during FY2024.

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 FY2024 (FY2023: 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 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 audited consolidated results of the Group for FY2024 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 2024 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 2024. 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.hk>). The annual report for FY2024 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.

By order of the Board
Rimbaco Group Global Limited
Low Seah Sun
Chairman

Hong Kong, 27 January 2025

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.