



RIMBACO GROUP GLOBAL LIMITED

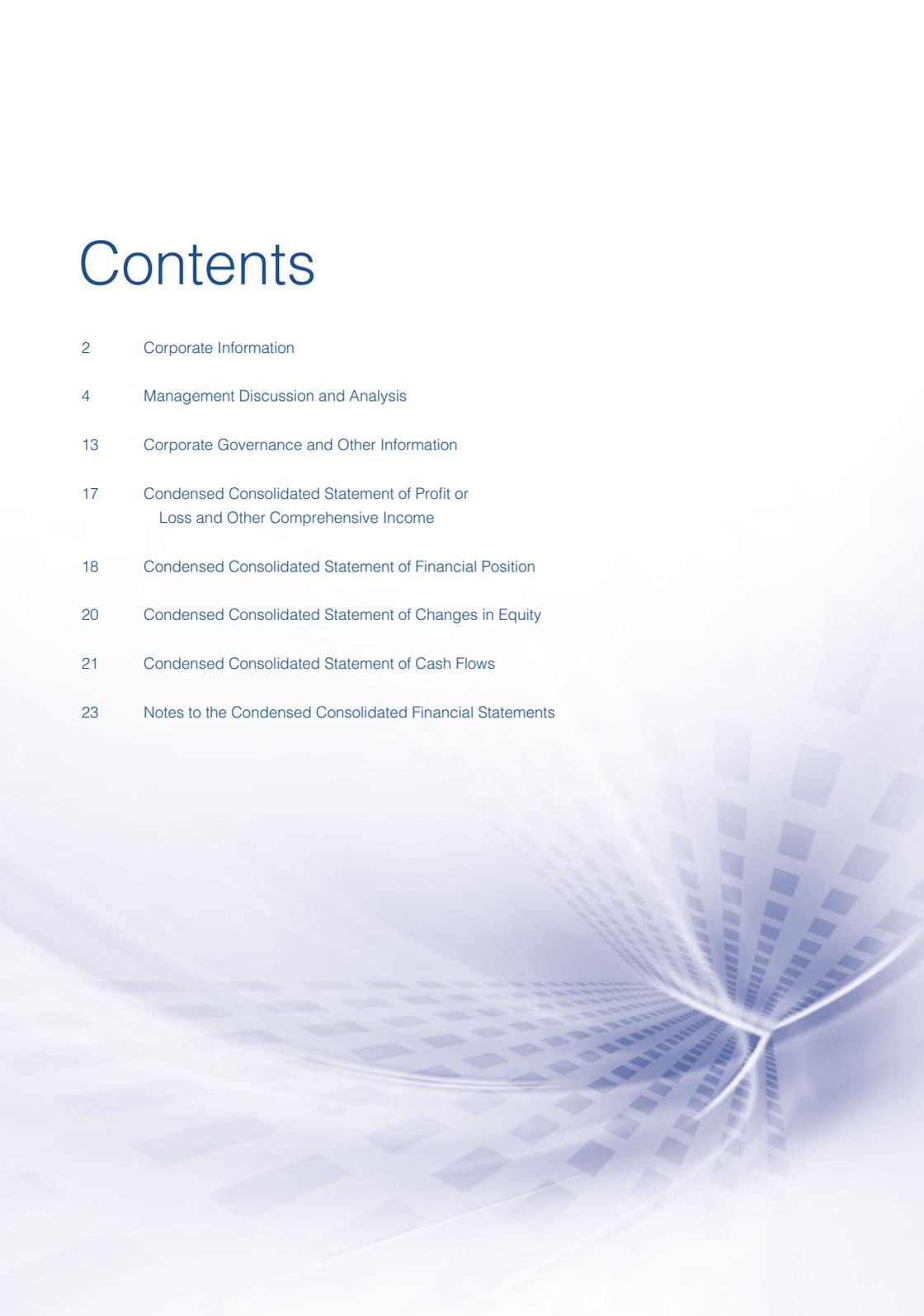
(Incorporated in the Cayman Islands with limited liability)

Stock code : 1953

2020
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

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

PO Box 1350, Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

309-E, 1st floor, Silver Square
Perak Road, 10150 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

PO Box 1350, Clifton House
75 Fort Street
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
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

COMPLIANCE ADVISER

Titan Financial Services Limited

Suites 3201–02, 32/F
COSCO Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

LEGAL ADVISER

As to Hong Kong law

Wong, Wan & Partners in Association with Seyfarth Shaw

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Edinburgh Tower
The Landmark
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Central
Hong Kong

PRINCIPAL BANKERS

CIMB Bank Berhad

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Bandar Seberang Jaya
13700 Seberang Jaya
Pulau Pinang
Malaysia

OCBC Bank (Malaysia) Berhad

36 Lebuah 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 2020 ("1H2020"), together with the comparative unaudited figures for the six months ended 30 April 2019 ("1H2019") and certain comparative figures as at the end of the last audited financial year 31 October 2019. All amounts set out in this report are presented in Malaysian Ringgit ("RM") unless otherwise indicated.

BUSINESS REVIEW

On 28 April 2020 (the "Listing Date"), the shares of the Company were listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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; and (ii) institutional, commercial and/or residential buildings such as private hospitals, hotels, shopping malls, high-rise residential buildings and commercial/residential complex. Rimbaco also undertakes small-scale ancillary construction works, including but not limited to renovation works, repair works and electrical works.

During 1H2020, the Group completed 2 construction projects with an aggregate original contract sum of approximately RM80.7 million, of which 1 was factory project and 1 was residential project.

The following table sets out details of the projects completed by the Group during 1H2020:

No.	Customer	Name	Description of works	Completion date	Original	Adjustment/
					contract	variation
					sum	order
					(RM'000)	received
					(RM'000)	(RM'000)
1	Customer B ^(Note 1)	Project B	Factory: Construction of a four-storey factory	30 November 2019	75,738	3,443
2	Eco Medi Glove Sdn Bhd	Eco Medi Hostel	Residential: Construction of a two-block hostel	13 March 2020	4,950	–

Note:

- (1) Customer B is a company incorporated in Malaysia in 2017 and the principal business activities of which is manufacturing of advanced film.

As at 30 April 2020, the Group had 6 building construction projects in progress with an aggregate original contract sum of approximately RM979.0 million of which 1 was factory project and 5 were institutional, commercial and/or residential projects.

Management Discussion and Analysis (Continued)

BUSINESS REVIEW (Continued)

The following table sets out details of building construction projects which remained ongoing as at 30 April 2020:

No.	Customer	Name	Description of works	Estimated completion date	Original contract sum (RM'000)	Adjustment/variation order received (RM'000)
1	Crimson Omega Sdn Bhd	Crimson Omega	Commercial: Design and building of a commercial/residential complex consisting of a nine-storey commercial podium with parking lots, a 18-storey office building, a 18-storey hotel and a 30-storey service apartment	28 February 2022 ^(Note 1)	517,973	–
2	Island Hospital Sdn Bhd	IHOS	Institutional: Construction of a 12-storey hospital with basement, car park and underground tunnel	5 April 2021 ^(Note 2)	322,402	–
3	Kementerian Perumahan Dan Kerajaan Tempatan	IP-KN	Residential: Design and building of a high-rise residential building with 500 flats	8 August 2021 ^(Note 3)	89,801	–
4	ER Mekatron Manufacturing Sdn Bhd	MTR5	Institutional: Construction of an automated storage and retrieval system for a military navy base	30 June 2020 ^(Note 4)	31,703	1,746
5	Customer J ^(Note 5)	CP	Commercial: Construction of a five-storey office	30 January 2021 ^(Note 6)	2,480	–
6	Eco Medi Glove Sdn Bhd	Eco Medi Plant 2 (Phase 1)	Factory: Construction of a manufacturing plant (Phase 1 of the second manufacturing plant)	15 March 2021 ^(Note 7)	14,600	–

Notes:

- Due to work delay, it is expected that the completion date will be extended from 30 June 2021 as disclosed in the interim result announcement published by the Company on 29 June 2020 (the "Interim Result Announcement") to 28 February 2022.
- Due to work delay, it is expected that the completion date will be extended from 31 October 2020 as disclosed in the Interim Result Announcement to 5 April 2021.
- In late June 2020, the Group received a certificate of delay and extension from the main contractor confirming that the date of completion will be extended from 16 April 2021 as previously disclosed in the Interim Result Announcement to 8 August 2021 due to work delay resulted from the Coronavirus Disease 2019 ("COVID-19") outbreak.
- Due to the impact of work delay resulted from the COVID-19 outbreak, the main contractor has been negotiating with the customer about extending the completion date but as at the date of this report the updated date has not been confirmed.
- Customer J is a company incorporated in Malaysia on 3 February 2017.
- In late June 2020, the Group received a certificate of extension of time from the architect as instructed by the customer confirming that the date of completion will be extended from 5 November 2020 as previously disclosed in the Interim Result Announcement to 30 January 2021 due to work delay resulted from the COVID-19 outbreak.
- In late June 2020, the Group received a certificate of extension of time from the architect as instructed by the customer confirming that the date of completion will be extended from 3 January 2021 as previously disclosed in the Interim Result Announcement to 15 March 2021 due to work delay resulted from the COVID-19 outbreak.

Management Discussion and Analysis (Continued)

BUSINESS REVIEW (Continued)

During 1H2020, the Group submitted 4 tenders for factory projects and 1 tender for institutional, commercial and/or residential project. These tenders represent an expected aggregate contract sum of approximately RM413.0 million. As at 30 April 2020, the Group was awarded 1 contract with an aggregate original contract sum of RM14.6 million, while 2 tenders had failed and 2 tenders' results were still pending.

The outbreak of the COVID-19, together with the implementation of various forms of containment measures by the Malaysian government had caused negative impacts on the economy of Malaysia and the construction industry. On 16 March 2020, the Malaysian government announced the Movement Control Order ("MCO") issued under the Prevention and Control of Infectious Diseases Act 1988 to combat the rise of COVID-19. Among others, the MCO included restrictions on mass movements and gatherings and business shutdown, interstate and international travel bans etc. The MCO took effect from 18 March 2020 to 31 March 2020, followed by a second phase from 1 April 2020 to 14 April 2020, a third phase from 15 April 2020 to 28 April 2020, and a fourth phase from 29 April 2020 to 12 May 2020. Due to the MCO, all the construction activities of the Group suspended on 18 March 2020. Following the suspension of the construction activities, the Group stopped making purchases from its suppliers, suspended the work of its subcontractors, and requested all of its employees to work from home. As at 30 April 2020, the Group was still under work suspension. During this period, the Group's financial performance, business operation and future prospects were negatively affected by the extension of time for completing the building construction projects due to the MCO. The Group has been negotiating with its customers to seek for extension of completion date to accommodate for delay or disruption of work progress. As of 30 April 2020, the Group had not experienced any termination of projects.

FUTURE PROSPECTS

On 10 May 2020, the Malaysian government announced the fifth phase of the MCO which entailed re-opening of the majority of Malaysia's economic sectors conditional on implementing stringent health Standard Operating Procedures ("SOP") for another four weeks from 13 May 2020 to 9 June 2020 (Conditional MCO, the "CMCO"). By virtue of the CMCO, The Group had to follow the SOP and perform COVID-19 test for all foreign workers. As a result, the Group's construction activities can only be carried out in small groups due to social distancing and pending COVID-19 test results of the workers and limited working hours. Time spent to comply with the SOP had hampered our work progress. On 7 June 2020, the Malaysian government further relaxed the restrictions by introduction of the Recovery MCO phase from 10 June 2020 to 31 August 2020. However, the Group expected to resume its construction activities gradually and will only be able to operate with full capacity in July 2020.

The Group has been adopting precautionary and control measures to mitigate the impact of the COVID-19 pandemic on the Group's operations, including but not limited to flexible work-from-home practices, procurement of hygiene products for pandemic prevention and control, education on the workers about hygienic practices to ensure SOP are not only practiced at their work place but also at their accommodations to reduce the risks of COVID-19 transmission.

Management Discussion and Analysis (Continued)

FUTURE PROSPECTS (Continued)

Looking ahead, the second half of the financial year ending 31 October 2020 will be filled with challenges and uncertainties. The Directors anticipate that there are risks that the disruptions in the supply chain of the construction industry (such as building materials, equipment, imported items and workforce) may not be fully re-established in the short term due to quarantines and work stoppages resulted from preventive measures imposed by the government. The Directors will continue to assess the impact of the pandemic on the Group's operations and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection with the pandemic. Further to that, the Group will adhere to prudent financial management in project selection and cost control.

In conclusion, despite the negative impacts the COVID-19 pandemic had caused to the Group's operation and financial standing, the Group had maintained its cash reserves at a sufficient level. At the same time, in view of the large-scale economic stimulus policies introduced by Malaysian government and the potential growth of the Group's emerging businesses, the Group will try its best to look for new business opportunities to offset the negative impacts of the COVID-19.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RM20.8 million, or 18.1%, from approximately RM114.8 million for 1H2019 to approximately RM94.0 million for 1H2020. Such decrease was mainly due to Crimson Omega (a commercial development project) and IHOS (an institutional development project) were still at their respective initial stage during 1H2020 following the completion of two sizeable factory projects FOM and STC6 which contributed to a substantial portion of the revenue for 1H2019.

	6 months ended 30 April			
	2020	% of total revenue	2019	% of total revenue
	Revenue (RM'000)		Revenue (RM'000)	
Factory projects	12,145	12.9	38,413	33.5
Institutional, commercial and/or residential projects	80,966	86.2	74,000	64.5
Others	844	0.9	2,391	2.0
	93,955	100.0	114,804	100.0

Management Discussion and Analysis (Continued)

Revenue (Continued)

During 1H2020, the revenue attributable to factories and institutional, commercial and/or residential buildings amounted to approximately RM12.1 million and approximately RM81.0 million (1H2019: approximately RM38.4 million and approximately RM74.0 million), respectively, representing approximately 12.9% and 86.2% (1H2019: approximately 33.5% and 64.5%), of the total revenue of the Group, respectively.

As at 30 April 2020, the Group had an outstanding order book of approximately RM665.6 million (31 October 2019: approximately RM745.3 million).

Gross Profit and Gross Profit Margin

Despite decrease in revenue for 1H2020, the Group's gross profit increased by approximately RM6.4 million, or 43.2%, from approximately RM14.8 million for 1H2019 to approximately RM21.2 million for 1H2020. Such increase was mainly due to the lower cost of services recorded and the reversal of liquidated and ascertained damages of approximately RM6.9 million which was previously recognised as cost of services in the financial year ended 31 October 2017.

The overall gross profit margin increased by approximately 9.6% from approximately 12.9% for 1H2019 to approximately 22.5% for 1H2020. The increase in gross profit margin was mainly attributable to the reversal of liquidated and ascertained damages of approximately RM6.9 million which previously recognised as cost of services in the financial year ended 31 October 2017.

Other Income, Gain and Loss

The Group's other income, gain and loss slightly increased from approximately RM0.4 million for 1H2019 to approximately RM0.7 million for 1H2020 which was mainly due to the increase in gain on disposal of investment properties.

Administrative and Other Expenses

The Group's administrative and other expenses increased by approximately RM2.1 million or 39.6% from approximately RM5.3 million for 1H2019 to approximately RM7.4 million for 1H2020, which was mainly due to listing expenses incurred of approximately RM4.6 million charged to the Group's profit or loss for 1H2020 as compared with approximately RM3.1 million for 1H2019.

Finance Costs

The Group's finance costs increased by approximately RM0.1 million from approximately RM0.4 million for 1H2019 to approximately RM0.5 million for 1H2020 which was mainly due to increase in interest charged on bill facilities.

Management Discussion and Analysis (Continued)

Income Tax Expense

The Group's income tax expense increased by approximately RM1.4 million or 45.2% from approximately RM3.1 million for 1H2019 to approximately RM4.5 million for 1H2020. The effective tax rate for the 1H2020 is 31.9% which is higher than the Malaysian corporate income tax rate of 24% mainly due to the listing expenses amounting to approximately RM4.6 million for 1H2020 is a non-deductible expenses.

Profit Attributable to the Owners of the Company

As a result of the foregoing, the Group reported profit attributable to owners of the Company of approximately RM9.6 million for 1H2020, representing an increase of approximately RM3.2 million or 50.0% as compared to approximately RM6.4 million for 1H2019.

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%) decreased from approximately 7.8% as at 31 October 2019 to approximately 3.7% as at 30 April 2020, which was mainly due to decrease in lease liabilities and as a result of new shares issued from the Listing.

During 1H2020, the Group maintained a healthy liquidity position with working capital being financed through cash generated from operations. As at 30 April 2020, the Group's bank balances and cash was approximately RM34.0 million (31 October 2019: approximately RM14.3 million) and the Group's restricted bank deposits was approximately RM8.9 million (31 October 2019: approximately RM8.7 million). Such increase was mainly benefiting from the proceeds of the Listing for working capital purpose. 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 despite the outbreak of COVID-19.

As at 30 April 2020, the current ratio of the Group was approximately 2.98 times (31 October 2019: approximately 1.56 times).

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

Capital Structure

As at 30 April 2020, the capital structure of the Group consisted of equity of approximately RM160.3 million (31 October 2019: approximately RM94.7 million) and bank borrowings of nil (31 October 2019: nil) as more particularly described in the paragraph headed "Borrowings" below.

Borrowings

As at 30 April 2020, the Group did not have any outstanding bank borrowings and the unutilised facility for bank overdraft amounted to 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.

Management Discussion and Analysis (Continued)

Net Current Assets

The Group's net current assets increased by approximately RM66.4 million, or 89.7%, from approximately RM74.0 million as at 31 October 2019 to approximately RM140.4 million as at 30 April 2020, which was a combined effect of the increase in trade and other receivables of approximately RM0.9 million and the decrease in contract assets of approximately RM15.7 million, increase in bank balances and cash of approximately RM19.7 million and decrease in trade, bills and other payables of approximately RM62.7 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 were 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 1H2020, the Group did not make any material capital expenditures and the Group expects to fund its planned capital expenditures principally through net proceeds from the 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 1H2020. Save as disclosed in this report and the prospectus of the Company dated 14 April 2020 (the "Prospectus"), there was no future plan for material investments or capital assets as at 30 April 2020.

Significant Investment Held

The Group did not hold any significant investment (except for its subsidiaries) during 1H2020.

Contingent Liability

Save as disclosed in note 14 to the condensed consolidated financial statements, the Group had no contingent liabilities as at 30 April 2020.

Pledge of Assets

As at 30 April 2020, restricted bank deposits of approximately RM8.9 million (31 October 2019: approximately RM8.7 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM25.0 million (31 October 2019: approximately RM25.0 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 2020, the Group did not have any capital commitments (31 October 2019: 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 2020, the Group's workforce stood at 173 employees, 123 were Malaysian workers and 50 were foreign workers as compared with 184 employees, 132 were Malaysian workers and 52 were foreign workers as at 31 October 2019.

Total staff costs (excluded directors' emoluments) remained relatively stable at approximately RM6.4 million and RM6.3 million for 1H2019 and 1H2020, respectively.

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 the Listing Date 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

The net proceeds of the Listing received by the Company, after deduction of underwriting fees and listing expenses payable in connection with the Listing of approximately HK\$73.5 million (approximately RM38.7 million) ^(Note 1) are and will be utilised as stated in the Prospectus. There was no utilisation of net proceeds from the Listing from the Listing Date up to 30 April 2020.

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.

COMPETING BUSINESS

During 1H2020, 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 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 and Corporate Governance Report to the Appendix 14 (the "CG Code") to the Listing Rules. The Company has complied with all the CG Code provisions from the Listing Date to 30 April 2020.

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 2020, 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 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (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	Approximately 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	Approximately 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 2020, 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 2020, the following corporations 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	Approximately 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 2020, 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 from the Listing Date to 30 April 2020.

Directors' Rights to Acquire Share or Debentures

Save as disclosed in the Prospectus, at no time during the Reporting Period 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.

Corporate Governance and Other Information (Continued)

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 2020, there were no outstanding share options. No share options were granted, exercised or cancelled or lapsed from the Listing Date to 30 April 2020.

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 from the Listing Date to 30 April 2020.

Interim Dividend

The Board does not recommend the payment of an interim dividend for 1H2020.

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.

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 C3 and paragraph D3 of the CG Code as set forth in Appendix 14 to the Listing Rules. 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 1H2020 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.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 April 2020

	NOTES	6 months ended 30 April	
		2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Revenue	4	93,955	114,804
Cost of services		(72,782)	(100,012)
Gross profit		21,173	14,792
Other income, gain and loss	5	706	422
Share of results of an associate		49	49
Administrative and other expenses		(7,360)	(5,322)
Finance costs	6	(491)	(397)
Profit before tax	7	14,077	9,544
Income tax expense	8	(4,493)	(3,106)
Profit and total comprehensive income for the period attributable to owners of the Company		9,584	6,438
Earnings per share in RM (cents)			
– Basic and diluted	9	1.01	0.68

Condensed Consolidated Statement of Financial Position

As at 30 April 2020

	NOTES	As at	
		30 April 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Non-current assets			
Property, plant and equipment		7,535	6,568
Investment properties		5,501	6,352
Right-of-use assets		7,283	8,292
Interest in an associate		980	931
Other non-current asset		118	118
Deferred tax assets		1,506	3,167
		22,923	25,428
Current assets			
Trade and other receivables	10	82,859	82,006
Contract assets		85,667	101,349
Amounts due from related parties		–	7
Restricted bank deposits		8,868	8,741
Bank balances and cash		33,959	14,300
		211,353	206,403
Current liabilities			
Trade, bills and other payables	11	62,668	125,338
Tax payable		4,722	3,760
Lease liabilities		3,518	3,317
		70,908	132,415
Net current assets		140,445	73,988
Total assets less current liabilities		163,368	99,416

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 April 2020

	NOTE	As at	
		30 April 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Non-current liabilities			
Lease liabilities		2,367	4,054
Deferred tax liabilities		689	689
		3,056	4,743
Net assets			
		160,312	94,673
Capital and reserves			
Share capital	12	7,033	—*
Reserves		153,279	94,673
Total equity			
		160,312	94,673

* Less than RM1,000.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 April 2020

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 November 2018 (audited)	2,050	–	–	82,606	84,656
Profit and total comprehensive income recognised for the period	–	–	–	6,438	6,438
Dividend (Note 13)	–	–	–	(2,200)	(2,200)
At 30 April 2019 (unaudited)	2,050	–	–	86,844	88,894
At 1 November 2019 (audited)	*	–	2,050 ¹	92,623	94,673
Profit and total comprehensive income recognised for the period	–	–	–	9,584	9,584
Capitalisation issue of shares (Note 12)	5,275	(5,275)	–	–	–
Shares issued under share offer (Note 12)	1,758	68,575	–	–	70,333
Share issue expenses	–	(14,278)	–	–	(14,278)
At 30 April 2020 (unaudited)	7,033	49,022	2,050	102,207	160,312

Note:

- (1) 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 defined in note 2). 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 2020

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
OPERATING ACTIVITIES		
Profit before tax	14,077	9,544
Adjustments for:		
Share of results of an associate	(49)	(49)
Depreciation of property, plant and equipment	525	464
Depreciation of investment properties	53	19
Depreciation of right-of-use assets	1,250	1,649
Loss/(gain) on disposal of property, plant and equipment	2	(7)
Gain on disposal of investment properties	(340)	(185)
Provision for credit losses	–	314
Reversal on provision of liquidated and ascertained damages	(6,920)	–
Finance costs	491	397
Interest income	(269)	(182)
Operating cash flows before movements in working capital	8,820	11,964
Decrease/(increase) in trade and other receivables	41,377	(6,859)
Decrease/(increase) in contract assets	15,682	(15,137)
(Decrease)/increase in trade, bills and other payables	(55,750)	12,914
Cash generated from operations	10,129	2,882
Income tax paid	(1,871)	(1,894)
NET CASH FROM OPERATING ACTIVITIES	8,258	988
INVESTING ACTIVITIES		
Proceeds from disposal of investment properties	1,050	391
Proceeds from disposal of property, plant and equipment	21	323
Interest income received	142	56
Purchase of property, plant and equipment	(1,667)	(1,498)
Release of restricted bank deposits	–	600
NET CASH USED IN INVESTING ACTIVITIES	(454)	(128)

Condensed Consolidated Statement of Cash Flows

(Continued)

For the six months ended 30 April 2020

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
FINANCING ACTIVITIES		
Repayment of bank borrowings	–	(43)
Repayment of lease liabilities	(1,486)	(708)
Finance costs paid	(491)	(397)
Proceeds from issuance of shares	28,110	–
Share issue expenses	(14,278)	–
Dividend paid	–	(2,200)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	11,855	(3,348)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19,659	(2,488)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	14,300	6,534
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by bank balances and cash	33,959	4,046

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2020

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 PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108 Cayman Islands and the address of the Company's principal place of business is 309-E, 1st Floor, Silver Square, Perak Road, 10150 Penang, Malaysia. The Company has established its place of business in Hong Kong at Suite 2702, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

The Company 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.

The condensed consolidated financial statements are presented in RM, which is also the functional currency of the Company.

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 16 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 consolidated financial statements for the three years ended 31 October 2017, 2018 and 2019 as set out in the accountants' report (the "Accountants' Report") included in Appendix I to the prospectus of the Company dated 14 April 2020 (the "Prospectus").

Pursuant to the reorganisation as detailed in the section headed "History, Development and Reorganisation" in the Prospectus (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 17 June 2019. The Company and its subsidiaries have been under the control and beneficially owned by the Controlling Shareholders throughout the six months period from 1 November 2018 to 30 April 2019 or since their respective dates of incorporation or establishment up to 31 October 2019. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the condensed consolidated financial statements of the Group have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the six months period from 1 November 2018 to 30 April 2019 or since their respective dates of incorporation or establishment up to 31 October 2019, using the principles of merger accounting.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

2. BASIS OF PREPARATION (Continued)

The condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows including the results, changes in equity and cash flows of the companies now comprising the Group have been prepared as if the current group structure had been in existence throughout the six months period from 1 November 2018 to 30 April 2019.

The condensed consolidated financial statements have been prepared on the historical costs basis and all values are rounded to the nearest thousand (RM'000) except otherwise indicated.

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 2020, 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 except that the early adopted IFRS 16 *Leases* throughout the six months ended 30 April 2019.

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.

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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

4. REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's revenue during the period is as follows:

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Revenue from contracts with customers recognised over time and disaggregated by types of building construction projects:		
Factory projects	12,145	38,413
Institutional, commercial and/or residential projects	80,966	74,000
Others	844	2,391
	93,955	114,804

5. OTHER INCOME, GAIN AND LOSS

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Bank interest income	269	182
Dividend received	47	–
Rental income	50	29
(Loss)/gain on disposal of property, plant and equipment	(2)	7
Gain on disposal of investment properties	340	185
Others	2	19
	706	422

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

6. FINANCE COSTS

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Interest on:		
Bank borrowings and bank overdraft	314	247
Lease liabilities	177	150
	491	397

7. PROFIT BEFORE TAX

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Profit before tax has been arrived at after charging:		
Directors' emolument	1,130	966
Other staff costs:		
Salaries, wages and other allowances	5,698	5,875
Retirement benefit scheme contributions, excluding those of directors	580	536
Total staff costs	7,408	7,377
Auditor's remuneration	265	40
Depreciation of property, plant and equipment	525	464
Depreciation of investment properties	53	19
Depreciation of right-of-use assets	1,250	1,649
Listing expenses (included in administrative and other expenses)	4,645	3,072

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

8. INCOME TAX EXPENSE

	6 months ended 30 April	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Income tax charge comprises:		
Malaysia Corporate Income Tax – current period	4,493	3,106

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

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	
	2020 RM'000 (unaudited)	2019 RM'000 (unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	9,584	6,438
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (note) (in thousand)	951,923	945,000

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share had been adjusted for the effect of the capitalisation issue and the share offer as detailed in the section headed "Share capital" in the Prospectus.

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 2020

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 April 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Trade receivables from contracts with customers	39,458	74,548
Less: Allowance for doubtful debts/credit losses	(2,126)	(1,626)
Trade receivables, net (Note i)	37,332	72,922
Other receivables, deposits and prepayments		
– Other receivables (Note ii)	40,388	57
– Rental and other deposits	1,132	1,269
– Prepayments	3,702	4,914
– Goods and Services Tax recoverable	305	305
– Prepaid listing expenses	–	90
– Deferred issue costs	–	2,449
	45,527	9,084
Total trade and other receivables	82,859	82,006

Notes:

- (i) The Group allows an average credit period of no longer than 60 days to its customers.

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 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Within 30 days	3,658	34,157
31–60 days	4,409	15,671
61–90 days	13,162	15,281
Over 90 days	18,229	9,439
	39,458	74,548

- (ii) Included in other receivables is an amount of approximately RM39.3 million receivable from a placing underwriter for the proceeds raised from the placing shares.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

11. TRADE, BILLS AND OTHER PAYABLES

	As at	
	30 April 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Trade and bills payables (Note i)	44,562	85,814
Retention payables (Note ii)	14,425	13,714
Accruals	2,892	15,994
Provision for liquidated and ascertained damages (Note iii)	–	6,920
Other payables	768	963
Deposits	21	–
Accrued listing expenses	–	1,583
Accrued issue costs	–	350
	62,668	125,338

Notes:

- (i) The average credit period on trade and bills payables is 30 days. The aging analysis of the trade and bills payable based on invoice dates/bills issued date at the end of each reporting period is as follows:

	As at	
	30 April 2020 RM'000 (unaudited)	31 October 2019 RM'000 (audited)
Within 30 days	2,831	34,449
31–60 days	6,941	17,182
61–90 days	12,757	19,230
Over 90 days	22,033	14,953
	44,562	85,814

- (ii) All retention payables were expected to be paid or settled in less than twelve months from the end of the corresponding reporting period.
- (iii) Amount being the provision for liquidated and ascertained damages for a building construction project made during the year ended 31 October 2017 where the completion of the relevant construction works borne by the Group was behind the schedule as stipulated on the contract. The provision was made in accordance with the compensation clause stated in the agreement and the certificates issued by the architect engaged by the customer of the relevant contract. On 16 December 2019, the final account settlement agreement was signed by the Group and its customer, in which the customer had agreed to waive the liquidated and ascertained damages amounting at RM6,920,000.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

12. SHARE CAPITAL

	Number of shares	Amount HK\$	Amount RM'000
Ordinary shares of HK\$0.01 each			
Authorised			
At incorporation (28 February 2019) and 31 October 2019 (audited)	38,000,000	380,000	N/A
Increase on 31 March 2020 (note a)	9,962,000,000	99,620,000	N/A
At 30 April 2020 (unaudited)	10,000,000,000	100,000,000	N/A
Issued and fully paid			
At incorporation (28 February 2019)	100	1	–*
Issue of shares on 17 June 2019 upon the Reorganisation	900	9	–*
At 31 October 2019 (audited)	1,000	10	–*
Capitalisation issue of shares (note b)	944,999,000	9,449,990	5,275
Issue of new shares in connection with the listing of shares of the Company (note c)	315,000,000	3,150,000	1,758
At 30 April 2020 (unaudited)	1,260,000,000	12,600,000	7,033

* Less than RM1,000.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

12. SHARE CAPITAL (Continued)

Notes:

- (a) On 31 March 2020, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of an additional 9,962,000,000 new shares of HK\$0.01 each.
- (b) Pursuant to the written resolution passed on 31 March 2020 by the then shareholders of the Company, it was approved to issue 944,999,000 ordinary shares of HK\$0.01 each to the then shareholders by way of capitalisation of the sum of HK\$9,449,990 (equivalent to RM5,275,000) standing to the credit of the share premium account of the Company following the share offer of 315,000,000 ordinary shares of the Company.
- (c) On 27 April 2020, the Company issued a total of 315,000,000 ordinary shares HK\$0.01 each at a price of HK\$0.4 per share as a result of the completion of the share offer. Of the total gross proceeds amounting to HK\$126,000,000, HK\$3,150,000 (equivalent to RM1,758,000) representing the par value credit to the Company's share capital and HK\$122,850,000 (equivalent to RM68,575,000), before the share issue expenses, credit to the share premium account. The Company's total number of issued shares was increased to 1,260,000,000 shares upon completion of the share offer.
- (d) All shares issued rank pari passu with the existing shares in all respects.

13. DIVIDENDS

No dividend was paid, declared or proposed during the period, nor has any dividend been declared since the end of the interim period.

During the six months ended 30 April 2019, Rimbaco Sdn. Bhd., and Rimbaco Property Sdn. Bhd. declared and paid an interim dividend of RM1,000,000 and RM1,200,000 to their shareholders, respectively.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 April 2020

14. CONTINGENT LIABILITIES

	As at	
	30 April 2020	31 October 2019
	RM'000	RM'000
	(unaudited)	(audited)
Performance bonds for construction contracts in favour of customers	24,974	24,962

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 based on the terms of the respective contracts for the relevant customers.

Except for the above mentioned, the Group did not have any significant contingent liabilities as at the end of each reporting period.

15. EVENTS AFTER THE REPORTING PERIOD

Due to the outbreak of the Coronavirus Disease 2019 ("COVID-19") epidemic in January 2020, a series of precautionary and control measures have been and continued to be implemented in Malaysia. The economic activities in Malaysia in general are expected to be affected by the epidemic due to postponement of work resumption. The Group evaluated the impact of COVID-19 on its financial position and financial performance but given the dynamic nature of the disease, the Group is not yet able to quantify the influence. The Group will pay close attention to the development of COVID-19 and its impact and will continue to perform relevant assessment and take proactive measure as appropriate.