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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 2022**

**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 2022 (“**FY2022**”), together with the comparative audited figures for the year ended 31 October 2021 (“**FY2021**”). 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 2022*

	<i>Notes</i>	<b>2022</b> <b>RM'000</b>	2021 <i>RM'000</i>
Revenue	3	<b>475,565</b>	282,075
Cost of services		<b>(470,624)</b>	(256,791)
Gross profit		<b>4,941</b>	25,284
Other income, gain and loss	4	<b>2,114</b>	546
Share of result of an associate		<b>151</b>	108
Administrative and other expenses		<b>(7,575)</b>	(6,858)
Reversal of loss allowances (loss allowances) on trade and other receivables and contract assets, net		<b>1,451</b>	(1,310)
Finance costs	5	<b>(2)</b>	(95)
Profit before tax	6	<b>1,080</b>	17,675
Income tax expense	7	<b>(847)</b>	(4,915)
<b>Profit for the year</b>		<b><u>233</u></b>	<b><u>12,760</u></b>
<b>Other comprehensive income (expense)</b> <i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		<b>845</b>	(437)
<b>Other comprehensive income (expense) for the year, net of income tax</b>		<b><u>845</u></b>	<b><u>(437)</u></b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b><u>1,078</u></b>	<b><u>12,323</u></b>
Earnings per share ( <i>RM cents</i> )			
– Basic and diluted	8	<b><u>0.02</u></b>	<b><u>1.01</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 OCTOBER 2022*

	<i>Notes</i>	<b>2022</b> <b>RM'000</b>	2021 RM'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>10,345</b>	9,668
Investment properties		<b>4,721</b>	5,435
Right-of-use assets		<b>10</b>	3,996
Interest in an associate		<b>1,107</b>	1,003
Other non-current assets		<b>96</b>	118
Deferred tax assets		<b>1,280</b>	1,364
		<u><b>17,559</b></u>	<u>21,584</u>
<b>Current assets</b>			
Trade and other receivables	10	<b>53,185</b>	83,275
Contract assets	11	<b>99,638</b>	150,460
Tax recoverable		<b>4,832</b>	3,855
Restricted bank deposits	12	<b>10,666</b>	12,870
Bank balances and cash	12	<b>97,839</b>	42,632
		<u><b>266,160</b></u>	<u>293,092</u>
<b>Current liabilities</b>			
Trade, bills and other payables	13	<b>118,892</b>	92,121
Contract liabilities	11	<b>5,492</b>	53,410
Tax payables		<b>95</b>	221
Lease liabilities		<b>10</b>	806
Provisions	14	<b>1,938</b>	–
		<u><b>126,427</b></u>	<u>146,558</u>
<b>Net current assets</b>		<u><b>139,733</b></u>	<u>146,534</u>
<b>Total assets less current liabilities</b>		<u><b>157,292</b></u>	<u>168,118</u>

	<i>Notes</i>	<b>2022</b> <b>RM'000</b>	2021 <i>RM'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		–	10
Deferred tax liabilities		<b>1,075</b>	999
		<u><b>1,075</b></u>	<u>1,009</u>
<b>Net assets</b>		<u><b>156,217</b></u>	<u>167,109</u>
<b>Capital and reserves</b>			
Share capital	15	<b>7,033</b>	7,033
Reserves		<b>149,184</b>	160,076
		<u><b>156,217</b></u>	<u>167,109</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

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

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

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

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

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

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

Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

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

## New and revised 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:

IFRS 17	Insurance Contracts and related Amendments <sup>2</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>3</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction <sup>2</sup>
Amendments to IAS 16	Property, Plant and Equipment: Proceeds Before Intended Use <sup>1</sup>
Amendments to IAS 37	Onerous Contract – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020 cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024.

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

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

### Amendments to IAS 37 Onerous Contract – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the Group has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the Group first applies the amendments. Comparatives are not restated. Instead, the Group shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are applicable to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application. Specially, the amendments are applicable to the Group’s assessment of onerous contracts in relation to the construction contracts.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

### 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	
	2022 RM’000	2021 RM’000
Revenue from contracts with customers recognised over time and disaggregated by types of building construction services:		
Factory projects	212,029	75,501
Institutional, commercial and/or residential projects	257,360	205,217
Infrastructure project	4,771	–
Others	1,405	1,357
	<u>475,565</u>	<u>282,075</u>

### 4. OTHER INCOME, GAIN AND LOSS

	Year ended 31 October	
	2022 RM’000	2021 RM’000
Bank interest income	1,414	386
Rental income ( <i>note</i> )	46	104
Gain on disposal of property, plant and equipment	727	4
Written off of property, plant and equipment	(37)	(15)
Loss on disposal of investment properties	(246)	–
Fair value loss on other non-current assets	(22)	–
Others	232	67
	<u>2,114</u>	<u>546</u>

*Note:*

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

	<b>Year ended 31 October</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>RM'000</i></b>	<b><i>RM'000</i></b>
Gross rental income from investment properties	<b>46</b>	104
Less:		
– direct operating expenses incurred for investment properties that generated rental income during the year (included in administrative and other expenses)	<b>(21)</b>	(16)
– direct operating expenses incurred for investment properties that did not generate rental income during the year (included in administrative and other expenses)	<b>(16)</b>	(4)
	<u><b>9</b></u>	<u>84</u>

## **5. FINANCE COSTS**

	<b>Year ended 31 October</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>RM'000</i></b>	<b><i>RM'000</i></b>
Interest on:		
Lease liabilities	<u><b>2</b></u>	<u>95</u>



## 6. PROFIT BEFORE TAX

	Year ended 31 October	
	2022	2021
	RM'000	RM'000
Profit before tax has been arrived at after charging:		
Directors' emolument	2,247	2,244
Other staff costs:		
Salaries, wages and other benefits	14,723	13,805
Retirement benefit scheme contribution, excluding those of directors	1,322	1,010
Total staff costs	18,292	17,059
Auditor's remuneration	513	468
Depreciation of property, plant and equipment	3,839	1,993
Depreciation of investment properties	93	100
Depreciation of right-of-use assets	168	2,464
Construction material costs (included in cost of services)	62,705	84,507
Subcontracting costs (included in cost of services)	361,781	106,943
Provision for onerous contracts (included in cost of services)	1,938	–

## 7. INCOME TAX EXPENSE

	Year ended 31 October	
	2022	2021
	RM'000	RM'000
Malaysian Corporate Income Tax		
– current year	952	5,290
– prior years	(265)	25
Deferred tax	160	(400)
	847	4,915

Malaysian Corporate Income Tax is calculated at the statutory tax rate of 24% on the estimated assessable profit for the years ended 31 October 2022 and 2021.

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

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



## 10. TRADE AND OTHER RECEIVABLES

	<b>As at 31 October</b>	
	<b>2022</b>	2021
	<b><i>RM'000</i></b>	<i>RM'000</i>
Trade receivables from contract with customers	<b>50,340</b>	85,793
Less: loss allowance on trade receivables	<b>(2,557)</b>	(4,002)
	<hr/>	<hr/>
Trade receivables, net	<b>47,783</b>	81,791
Other receivables, deposits and prepayments		
– Other receivables	<b>258</b>	269
– Rental and other deposits	<b>1,095</b>	1,094
– Prepayments	<b>4,070</b>	147
	<hr/>	<hr/>
	<b>5,423</b>	1,510
Less: loss allowance on other receivables	<b>(21)</b>	(26)
	<hr/>	<hr/>
Other receivables, deposits and prepayments, net	<b>5,402</b>	1,484
	<hr/>	<hr/>
Total trade and other receivables	<b>53,185</b>	83,275
	<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.

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.

	<b>As at 31 October</b>	
	<b>2022</b>	2021
	<b><i>RM'000</i></b>	<i>RM'000</i>
Within 30 days	<b>35,478</b>	50,894
31 to 60 days	<b>4,269</b>	23,762
61 to 90 days	<b>5,787</b>	5,384
Over 90 days	<b>2,249</b>	1,751
	<hr/>	<hr/>
Total	<b>47,783</b>	81,791
	<hr/> <hr/>	<hr/> <hr/>

## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

	As at 31 October	
	2022	2021
	RM'000	RM'000
Analysed as current:		
Unbilled revenue of construction contracts	34,552	78,771
Retention receivables of construction contracts	65,131	71,735
	<u>99,683</u>	<u>150,506</u>
Less: loss allowance on contract assets	(45)	(46)
	<u>99,638</u>	<u>150,460</u>

### (b) Contract liabilities

	As at 31 October	
	2022	2021
	RM'000	RM'000
Advances from customers of building construction contracts	5,492	53,410

## 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 2022, these deposits carry the interest rate ranged from 1.35% to 2.9% (2021: 1.35% to 2.9%) per annum. The amounts are denominated in RM.

Bank balances and cash comprise bank balances and cash on hand and time deposits with original maturity of three months or less. Bank balances carried interest at prevailing market rates based on daily bank deposit rate for the years ended 31 October 2022 and 2021. As at 31 October 2022, the interest rate of these bank deposits ranged from 0.2% to 2.3% (2021: 0.2% to 1.35%) per annum.

## 13. TRADE, BILLS AND OTHER PAYABLES

	As at 31 October	
	2022	2021
	RM'000	RM'000
Trade and bills payables	83,022	70,647
Retention payables	32,913	17,323
Accruals	2,871	4,019
Other payables	86	132
	<u>118,892</u>	<u>92,121</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	
	2022 RM'000	2021 RM'000
Within 30 days	39,861	31,646
31 to 60 days	17,209	22,931
61 to 90 days	12,686	5,561
Over 90 days	13,266	10,509
	<u>83,022</u>	<u>70,647</u>

The normal credit period granted is ranged from 30 to 60 days. The Group has financial risk management measures in place to ensure that all payables are settled within the credit 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 year ended 31 October 2022 and 2021 are set out below:

	RM'000
As at 31 October 2021 and 1 November 2021	–
Addition for the year	1,938
	<u>1,938</u>
As at 31 October 2022	<u>1,938</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 2021, 31 October 2021 and 2022	10,000,000,000	100,000,000	N/A
<i>Issued and fully paid:</i>			
At 1 November 2021, 31 October 2021 and 2022	1,260,000,000	12,600,000	7,033

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

## 16. PERFORMANCE BONDS AND GUARANTEE

### (a) Performance bonds

	As at 31 October	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
Performance bonds for construction contracts in favour of customers	<u>14,097</u>	<u>34,303</u>

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 2022 and 2021, certain of the Group's performance bonds were guaranteed by the Company.

### (b) Completion guarantee

	As at 31 October	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
Completion guarantee for construction contract in favour of a customer	<u>12,865</u>	<u>–</u>

As at 31 October 2022, 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 FY2022, the Group completed 7 construction projects with an aggregate contract sum of approximately RM503.3 million of which 5 were factory projects and 2 were institutional & commercial projects.

The following table sets out details of the projects completed by the Group during FY2022:

No.	Name	Description of works	Completion date	Contract sum (RM'000)
1	Eco Medi Upgrading car park	Factory	15 December 2021	1,065
2	Eco Medi PT6030 Ancillary	Factory	31 December 2021	23,521
3	12-storey Hospital	Institutional	20 April 2022	272,499
4	Osram-Piling work	Factory	22 April 2022	20,156
5	Eco Medi Block B	Factory	15 July 2022	14,617
6	Boston P2	Factory	25 August 2022	101,411
7	1 Block school Building	Institutional	10 September 2022	70,076
				<u>503,345</u>

As at 31 October 2022, the Group had 9 building construction projects in progress with an aggregate contract sum of approximately RM984.7 million of which 6 were factory projects, 1 was infrastructure project and 2 were institutional, commercial and/or residential projects.

The following table sets out of building construction projects which remained ongoing as at 31 October 2022:

<b>No.</b>	<b>Description of works</b>	<b>Approximate Contract sum (RM'000)</b>
1	Commercial: Design and construction 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 30-storey service apartment	518,597
2	Residential: Design and construction of high-rise residential building with 500 flats	84,718
3	Factory: Construction one factory building consist of 10 level car park and production room	82,413
4	Factory: Construction of one block of manufacturing plant (Block G)	11,950
5	Infrastructure: Pipeline & Reservoir Works	250,864
6	Factory: Earthworks and piling work for 1 factory building	6,800
7	Factory: Foundation work for 1 factory building (Block C-foundation)	9,559
8	Factory: External work for 1 factory building (Bloc C-Ext)	4,559
9	Factory: construction one block of chemical store (Block C)	15,281
		<u>984,741</u>

During FY2022, the Group submitted 11 tenders for factory projects, 5 tenders for institutional and commercial projects and 1 tender for infrastructure project. The Group was awarded 5 factory and 1 infrastructure project with an aggregate contract sum of approximately RM319.1 million.



## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately RM193.5 million, or 68.6%, from approximately RM282.1 million for FY2021 to approximately RM475.6 million for FY2022. Such increase was mainly due to completion of a few factory projects and institutional and commercial projects.

	Year ended 31 October			
	2022		2021	
	Revenue	% of total	Revenue	% of total
	(RM'000)	revenue	(RM'000)	revenue
Factory projects	212,029	44.6	75,501	26.8
Institutional, commercial and/or residential projects	257,360	54.1	205,217	72.7
Infrastructure project	4,771	1.0	–	–
Others	1,405	0.3	1,357	0.5
	<u>475,565</u>	<u>100</u>	<u>282,075</u>	<u>100</u>

During FY2022, the revenue attributable to factories and institutional, commercial and/or residential buildings amounted to approximately RM212.0 million and approximately RM257.4 million (FY2021: approximately RM75.5 million and approximately RM205.2 million), respectively, representing approximately 44.6% and 54.1% (FY2021: approximately 26.8% and 72.7%), of the total revenue of the Group.

As at 31 October 2022, the Group had an outstanding order book of approximately RM416.3 million (31 October 2021: approximately RM616.2 million).

### Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately RM20.4 million, or 80.6%, from approximately RM 25.3 million for FY2021 to approximately RM 4.9 million for FY2022. The decrease in gross profit margin of approximately 9.0% in FY2021 to approximately 1.0% in FY2022 was mainly due to the increase in cost of sales as a result of (i) the increase in labour cost and sub-contracting cost due to market shortage of construction workers, (ii) additional project preliminaries and staff cost due to prolonged contract duration brought on by the pandemic and world inflation, (iii) increase in material price, and (iv) Provision for onerous contract.

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

The Group's other income, gain and loss increased from approximately RM0.5 million for FY2021 to approximately RM2.1 million for FY2022 which was mainly due to bank interest received from fixed deposits and current account, and profit on disposal of places of machineries.

### **Administrative and Other Expenses**

The Group's administrative and other expenses increased by approximately RM0.7 million or 10.1% from approximately RM6.9 million for FY2021 to approximately RM7.6 million for FY2022, which was mainly due to project completion and staff cost charged to administrative expenses.

### **Finance Costs**

The Group's finance costs decreased by approximately RM0.098 million from approximately RM0.1 million for FY2021 to approximately RM0.002 million for FY2022 which was mainly due to completion of lease tenure in FY2022.

### **Income Tax Expense**

The Group's income tax expense decreased from approximately RM4.9 million for FY2021 to approximately RM0.8 million for FY2022, which was mainly due to decrease in taxable profit for FY2022.

### **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 RM0.2 million for FY2022, representing a decrease of approximately RM12.6 million or 98.4% as compared to approximately RM12.8 million for FY2021.

### **FUTURE PROSPECTS**

As the global economy recovers, inflation is projected to rise due to high energy and commodity prices, as well as ongoing disruptions in global supply chains. Since February 2022, the military conflict in Ukraine has introduced significant uncertainty to global markets. Hence, the inflationary pressure has urged most central banks to tighten monetary policies, leading to weaker private consumption and household purchasing power. These challenges may linger on and are anticipated to continue affecting growth in 2023.

Malaysia Ministry of Finance in its economic outlook 2023 reported that the economy of Malaysia was expanded by 6.9% in the first half of FY2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally. With better prospects as indicated by the leading index, the economy is anticipated to gain its growth momentum in the second half of the year attributed to strong domestic demand as the country transitions into endemicity. For FY2022, the economic growth is expected to register a higher growth within the range of 6.5%–7%. The domestic economy remains resilient and is forecast to expand between 4%–5% in 2023 driven by the domestic demand. Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

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 and the increase in major building material prices and rising labour cost, the Group will remain committed and focused to perform resiliently in the coming financial year and continue to seek growth opportunities in the order book to ensure sustainable earnings in the coming year. In addition to the Group's strong cash reserve and stringent cost control measures, we are optimistic of overcoming this difficult time.

## **LIQUIDITY AND FINANCIAL RESOURCES**

Gearing ratio of the Group (calculated by dividing the total debts (lease liabilities) by total equity and multiplied by 100%) decreased from approximately 0.5% as at 31 October 2021 to approximately 0.0% as at 31 October 2022, which was mainly due to minimal debt of the Group.

During FY2022, the Group maintained a healthy liquidity position with working capital being financed through cash generated from financing activities. As at 31 October 2022, the Group's bank balances and cash was approximately RM97.8 million (31 October 2021: approximately RM42.6 million) and the Group's restricted bank deposits was approximately RM10.7 million (31 October 2021: approximately RM12.9 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 despite the outbreak of COVID-19.

As at 31 October 2022, the current ratio of the Group was approximately 2.1 times (31 October 2021: approximately 2.0 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 2022, the capital structure of the Group consisted of equity of approximately RM156.2 million (31 October 2021: approximately RM167.1 million) and bank borrowings of Nil (31 October 2021: Nil) as more particularly described in the paragraph headed "Borrowings" below.

### **Borrowings**

As at 31 October 2022, the Group did not have any outstanding bank borrowings. The unutilised facility for bank overdraft amounted to approximately RM500,000 (31 October 2021: 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 RM 6.8 million, or 4.6%, from approximately RM 146.5 million as at 31 October 2021 to approximately RM 139.7 million as at 31 October 2022, which was a combined effect of the decrease in trade and other receivables of approximately RM 30.1 million, decrease in contract assets of approximately RM 50.8 million, increase in tax recoverable of approximately RM 1.0 million, decrease in restricted bank deposits of approximately RM 2.2 million, increase in bank balances and cash of approximately RM 55.2 million, increase in trade, bills and other payables of approximately RM 26.8 million, decrease in contract liabilities of approximately RM 47.9 million and decrease in lease liabilities of approximately RM 0.8 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 FY2022, the Group did not make any material capital expenditures and the Group expects to fund its planned capital expenditures principally through net proceeds from listing.

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

There was no acquisition or disposal of subsidiaries, associates or joint ventures during FY2022. There was no future plan for material investments or capital assets as at 31 October 2022.

## SIGNIFICANT EVENT DURING FY2022

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

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

The Board was informed by the Vendor that, among other things, (i) on 19 August 2022, the Vendor and Zhaixiaobai entered into a deed (the “**Deed**”), pursuant to which the Vendor and Zhaixiaobai had agreed to extend the Deposit Payment Date to 31 August 2022; (ii) on 31 August 2022, the Vendor and Zhaixiaobai entered into a deed (the “**2nd Extension Deed**”, together with the Deed, the “**Extension Deeds**”), pursuant to which the Vendor and Zhaixiaobai had agreed to further extend the Deposit Payment Date to 15 September 2022; and (iii) that the non-refundable Deposit in the amount of HK\$20 million had been fully paid by Zhaixiaobai pursuant to the Memorandum (as amended and supplemented by the Extension Deeds). Please refer to the announcements of the Company dated 19 August 2022, 31 August 2022, 30 September 2022 and 31 October 2022 for details.

## **SIGNIFICANT INVESTMENT HELD**

The Group did not hold any significant investment (except for its subsidiaries) during FY2022.

## **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 2022.

## **CREDIT RISK**

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

The Group’s credit risk is primarily attributable to trade receivables and contract assets. The Group’s exposure to credit risk is influenced mainly by the characteristics of each and individual customer, therefore significant concentrations of the credit risk primarily arise when the Group had significant exposure to individual customers. As at 31 October 2022, approximately 7.6% (31 October 2021: 19.6%) of the total gross trade receivables and contract assets was due from the Group’s largest customer and approximately 71.9% (31 October 2021: 77.1%) 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 2022, restricted bank deposits of approximately RM10.7 million (31 October 2021: approximately RM12.9 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM14.1 million (31 October 2021: approximately RM34.3 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 2022, the Group did not have any capital commitments (31 October 2021: 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 2022, the Group's workforce stood at 158 employees, 119 were Malaysian workers and 39 were foreign workers. As at 31 October 2021, the Group had 189 employees, 147 were Malaysian workers and 42 were foreign workers.

Total staff costs (excluded directors' emoluments) increased by approximately RM1.2 million from RM14.8 million during FY2021 to RM16.0 million during FY2022 which was mainly due to payment of incentive to project staff for completed profitable projects and increase in salary and meal allowance for employees.

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.

## **USE OF PROCEEDS FROM LISTING**

On 28 April 2020, the issued shares of the Company were listed on the Main Board of the Stock Exchange. A total of 315,000,000 ordinary shares were issued to the public at a price of HK\$0.40 per share for net proceeds of approximately HK\$73.5 million (approximately RM38.7 million) (*Note*) 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**").

*Note:* 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, the utilised amount of the net proceeds during FY2022:

Use of Net Proceeds	Approximate Percentage of Total Amount	Approximate Actual Net Proceeds <i>HK\$'000</i>	Approximate	Approximate	Approximate Unused Net Proceeds <i>HK\$'000</i>
			Amount utilized as at 31 October 2021 <i>HK\$'000</i>	Amount utilized during FY2022 <i>HK\$'000</i>	
Strengthening capital base for potential building projects	39.3%	28,924	13,147	–	15,777
Acquisition of machinery & equipment	31.2%	22,972	855	–	22,117
Acquisition of land and construct a warehouse	6.5%	4,781	–	–	4,781
Collateral for banking facilities and funding for sinking fund	6.1%	4,512	4,512	–	–
Expansion of workforce to support business expansion	5.3%	3,892	3,892	–	–
Set up branch office in Kuala Lumpur	2.0%	1,450	–	–	1,450
Working capital and other general corporate purpose	9.6%	6,981	6,981	–	–
	<b>100%</b>	<b>73,512</b>	<b>29,387</b>	<b>–</b>	<b>44,125</b>

As at the end of FY2022, the amount of the net proceeds which remained unutilised amounted to approximately HK\$44.1 million and have been deposited in licensed banks.

### **SIGNIFICANT SUBSEQUENT EVENT AFTER FY2022**

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

## **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 FY2022.

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 FY2022, 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 FY2022.

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

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout FY2022.

## **CORPORATE GOVERNANCE PRACTICES**

The Board recognises 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 preceding code provisions as previously set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 (the "**Preceding CG Code**") to the Listing Rules. The Company has complied with all Preceding CG Code during FY2022.

On 1 January 2022, the amendments to the Corporate Governance Code (the "**New CG Code**") came into effect and the requirements under the New CG code will apply to corporate governance reports for financial year commencing on or after 1 January 2022. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the New CG Code and align with the latest developments.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the 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.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for FY2022 (FY2021: 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 C3 and paragraph D3 of the Preceding 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 FY2022 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 2022 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 2022. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this announcement.

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

This announcement is published on the Company's website (<http://www.rimbaco.com.my>) and the Stock Exchange's website (<http://www.hkexnews.com.hk>). The annual report for FY2022 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 and Executive Director*

Hong Kong, 19 January 2023

*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.*