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Rimbaco Group Global Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1953)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 OCTOBER 2022

References are made to (i) the prospectus (the “**Prospectus**”) issued by Rimbaco Group Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 April 2020 in relation to the listing of the Company’s ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited on 28 April 2020 (the “**Listing**”); and (ii) the annual report of the Group for the year ended 31 October 2022 (the “**2022 Annual Report**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Prospectus and the 2022 Annual Report.

USE OF PROCEEDS

As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the net proceeds from the Share Offer (the “**Net Proceeds**”) were intended to be used for the following purposes:

- approximately 39.4% of the Net Proceeds would be used for strengthening our capital base for potential building construction projects, covering (i) the payment of start-up costs for building construction projects that we submitted tenders; (ii) the satisfaction of performance bond requirements for building construction projects that we submitted tenders; and (iii) the funding for future building construction projects;
- approximately 31.2% of the Net Proceeds would be used for acquisition of additional machinery and equipment to lower our construction costs in the long run;
- approximately 6.5% of the Net Proceeds would be used for acquisition of a parcel of land and construct a warehouse for storage of machinery and equipment;
- approximately 6.1% of the Net Proceeds would be used as collateral for bank facilities and funding for the sinking fund in the principal bank of the Company;

- approximately 5.3% of the Net Proceeds would be used for expansion of our workforce to support our business expansion and generally expected to cover three years' worth of staff costs for the new hires;
- approximately 1.9% of the Net Proceeds would be used for setting up a branch office in Kuala Lumpur; and
- approximately 9.6% of the Net Proceeds would be used for additional working capital and other general corporate purposes.

As disclosed in the 2022 Annual Report, the Company raised Net Proceeds of approximately HK\$73.5 million from the Listing, and, up to 31 October 2022, the unused Net Proceeds from the Listing was approximately HK\$44.1 million (the “**Unutilised Proceeds**”).

The Board would like to provide additional information pursuant to paragraphs 11(8) and 11A of Appendix 16 of the Listing Rules in relation to (i) the expected timeline for the application of the Unutilised Proceeds; and (ii) whether the Unutilised Proceeds will be used according to the intentions previously disclosed by the Company.

UNUTILISED PROCEEDS AND THE REVISED ALLOCATION

An analysis of the Unutilised Proceeds as at the date of this announcement and the revised allocation of the Unutilised Proceeds are set out below:

Business strategies	Approximate planned percentage of total amount	Approximate Net Proceeds <i>HK\$'000</i>	Approximate amount utilised up to 31 October 2022 <i>HK\$'000</i>	Approximate	Unutilised	Revised allocation of the unutilised Net Proceeds <i>HK\$'000</i>	Expected timeline for utilising the unutilised Net Proceeds
				unutilised Net Proceeds as at 31 October 2022 <i>HK\$'000</i>	Net Proceeds as at the date of this announcement <i>HK\$'000</i>		
Strengthening capital base for potential building projects	39.4%	28,924	13,147	15,777	9,648	Remain unchanged	On or before the end of year 2024
Acquisition of machinery & equipment	31.2%	22,972	855	22,117	22,117	14,840	On or before the end of year 2024
Acquisition of land and construct a warehouse	6.5%	4,781	–	4,781	4,781	12,058	On or before the end of year 2024

Business strategies	Approximate planned percentage of total amount	Approximate Net Proceeds <i>HK\$'000</i>	Approximate amount utilised up to 31 October 2022 <i>HK\$'000</i>	Approximate	Unutilised	Revised allocation of the unutilised Net Proceeds <i>HK\$'000</i>	Expected timeline for utilising the unutilised Net Proceeds
				unutilised Net Proceeds as at 31 October 2022 <i>HK\$'000</i>	Net Proceeds as at the date of this announcement <i>HK\$'000</i>		
Collateral for banking facilities and funding for sinking fund	6.1%	4,512	4,512	-	-	-	-
Expansion of workforce to support business expansion	5.3%	3,892	3,892	-	-	-	-
Set up branch office in Kuala Lumpur	1.9%	1,450	-	1,450	1,450	Remain unchanged	On or before the end of year 2024
Working capital and other general corporate purpose	9.6%	6,981	6,981	-	-	-	-
Total	100%	73,512	29,387	44,125	37,996	-	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

As disclosed in the Prospectus, the Company initially intended to apply approximately 31.2% of the Net Proceeds towards the acquisition of machinery and equipment. However, with the impact of the outbreak of the COVID-19 pandemic in the past years, there has been very few high rise residential and commercial projects available in the market, the Board considers that, at this time of economic uncertainty, acquisition of certain machinery and equipment for high rise residential and commercial projects will not be profitable to the Group. After due and careful consideration of the current business environment and development needs of the Group, the Board is of the view that part of the Net Proceeds originally intended for the acquisition of machinery and equipment shall be allocated to acquisition of land and construction of a warehouse in order to fulfill the needs to store the Group's machinery and equipment for maintenance and storage purposes when they are returned from project sites upon completion of the projects. The Net Proceeds originally allocated towards the acquisition of land and construction of a warehouse were insufficient to meet the rising land cost and set up cost. Save for the aforementioned changes, there is no other change in the use of the Unutilised Proceeds.

The Board considers that the aforementioned change in the use of the Net Proceeds (i) is fair and reasonable as this will allow the Group to deploy its financial resources more effectively to better enhance the profitability of the Group; (ii) is in line with the business strategies of the Group; (iii) will not adversely affect the Group's business operations; and (iv) is in the interests of the Group and the Shareholders as whole. The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus.

Since 2020, COVID-19 pandemic had imposed negative impact on the overall business environment in Malaysia and the strictly enforced lockdown that followed had led to uncertain economic and market conditions. In such circumstances, the Group had taken a responsible and prudent view to implement the business strategies which led to the delay in the use of the Net Proceeds. Nevertheless, the Group has endeavoured to adhere to the implementation plan for the use of the Net Proceeds as disclosed in the Prospectus, and has been monitoring the market conditions in Malaysia and making assessment from time to time on the right timing to utilise the Net Proceeds. Accordingly, it is expected that the Unutilised Proceeds will be fully utilised on or before 31 December 2024.

The expected timeline of full utilisation of the Unutilised Proceeds is based on the Directors' best estimation barring any unforeseen circumstances, and may be subject to change based on the market conditions. Should there be any material change in the intended use of the Unutilised Proceeds, the Company will make appropriate announcement(s) in due course.

The information provided in this supplemental announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed above, the contents of the aforementioned report remain unchanged.

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

Hong Kong, 31 March 2023

As at the date of this announcement, the executive Directors of the Company 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 of the Company 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.