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Rimbaco Group Global Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1953)

DISCLOSEABLE TRANSACTION INVOLVING THE SETTLEMENT AGREEMENT

THE SETTLEMENT

The Board wishes to announce that on 20 December 2024, Rimbaco (an indirect wholly-owned subsidiary of the Company) and Crimson Omega entered into the Settlement Agreement, pursuant to which, amongst others, Crimson Omega has agreed, amongst other things, to transfer the Lands and the Apartments to Rimbaco.

The Consideration for the Settlement shall be RM10,500,000 for the Lands and RM9,618,200 for the Apartments, being part of the amount of the Receivables. Subject to the provisions under the Settlement Agreement, the Consideration shall be paid by the set off of the part of the amount of the Receivables.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Settlement is/are more than 5% but less than 25%, the entering into of the Settlement Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 20 December 2024, Rimbaco (an indirect wholly-owned subsidiary of the Company) and Crimson Omega entered into the Settlement Agreement, pursuant to which, amongst others, Crimson Omega has agreed, amongst other things, to transfer the Lands and the Apartments to Rimbaco.

THE SETTLEMENT

The principal terms of the Settlement Agreement are set out as follows:

Date

20 December 2024

Parties

- (1) Rimbaco
- (2) Crimson Omega

Subject matter

Pursuant to the Construction Agreement, Rimbaco was appointed by Crimson Omega as the main contractor to complete the construction of a project in Pulau Pinang (the “**Project**”). Under the Construction Agreement, upon the completion of the Project, Crimson Omega currently owes Rimbaco the sum of RM22,949,323.

Pursuant to the Settlement Agreement, Rimbaco and Crimson Omega agreed, amongst other things, that the Receivables will be set off by the transfer of the Lands and the Apartments from Crimson Omega to Rimbaco.

The Lands consist of two pieces of vacant lands situated at (i) Perak Road Jelutong known as Geran 10843, Lot No. 616, Seksyen 1, Bandar Jelutong, Daerah Timor Laut, Pulau Pinang, having a site area of approximately 22,625 sq.ft.; and (ii) Geran 10844, Lot No. 618, Seksyen 1, Bandar Jelutong, Daerah Timor Laut, Pulau Pinang, having a site area of approximately 3,485 sq.ft. with the total aggregate value of RM10,500,000.

The Apartments consist of 13 units of properties in Sunshine Residences at Sunshine Central, Jalan Thean Teik, Bandar Baru Ayer Itam, 11500 Ayer Itam, Pulau Pinang, with total value of RM9,618,200 and which are more particularly described as: Type C (Unit No 12-05, 12-06, 15-06, 17-05, 17-06, 18-05, 18-06, 19-05, 21-05, 21-06, 26-05, 26-06 and Type B (Unit No 13-3A).

Within 30 days from the date of the Settlement Agreement, Crimson Omega shall remove and discharge the encumbrances and caveat filed on the Lands and shall execute and deposit, among other things, the original title deeds and registrable memorandum of transfer in respect of the Lands at its solicitors. The said solicitors shall notify Rimbaco not later than 14 days from the receipt of the above documents such that Rimbaco shall execute the above documents to transfer the Lands in their favour within 14 days from the date of notice.

Within 30 days from the date of the Settlement Agreement, Crimson Omega shall cause to be duly executed and deposited with the solicitors among other things, the Sale and Purchase Agreement and Deed of Mutual Covenants in respect of the Apartments in favour of Rimbaco.

Consideration

The total Consideration for the Settlement shall be RM22,949,323, being the amount of the Receivables. Subject to the provisions under the Settlement Agreement, the Consideration shall be paid by the set off of the Receivables.

The Consideration was determined after arm's length negotiations with reference to, amongst other things, the value of the Receivables and the value of the Lands and the Apartments and the balance of RM2,831,123 which will be settled by Crimson Omega in cash.

Receivables

Following the transfer of the Lands and the Apartments from Crimson Omega to Rimbaco and the balance of RM2,831,123 which will be settled by Crimson Omega in cash, the Receivables, consisting of performance retention sum and 2.5% retention sum in the total amount of RM22,949,323 owing from Crimson Omega to Rimbaco shall be set off from the Consideration.

REASONS FOR AND BENEFITS OF THE SETTLEMENT

Based on the assessment of the Company on the time, costs and effort to continue pursuing the Receivables, the Board considers that the Settlement will allow the Group to be appropriately compensated. The Lands can be used as investment properties and the Apartments can be used as properties held for sale.

The Directors are of the view that the terms of the Settlement Agreement are on normal commercial terms and are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

INFORMATION ON RIMBACO

The Company is an investment holding company. The Group is principally engaged in the provision of general contractor services in Malaysia. Rimbaco is a company established in Malaysia and is an indirect wholly-owned subsidiary of the Company. It is a building construction contractor focusing on the provision of general contractor services.

INFORMATION ON CRIMSON OMEGA

Crimson Omega is a company incorporated in Malaysia with limited liability. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Crimson Omega (i) is principally engaged in property development and property holding; (ii) is wholly-owned by Suiwah Corporation Bhd; and (iii) Crimson Omega and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Suiwah Corporation Bhd is owned as to 62.5% by Suiwah Supermarket Sdn Bhd (“SSSB”) and as to 37.5% by Dato Hwang Thean Long. SSSB is owned as to 99.9998% by Dato Hwang Thean Long and as to 0.0002% by Datin Cheah Gaik Huang.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Settlement is/are more than 5% but less than 25%, the entering into of the Settlement Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Apartments”	13 units of properties which are more particularly described as: Type C (Unit No 12-05, 12-06, 15-06, 17-05, 17-06, 18-05, 18-06, 19-05, 21-05, 21-06, 26-05, 26-06 and Type B (Unit No 13-3A) in Sunshine Residences situated at Sunshine Central, Jalan Thean Teik, Bandar Baru Ayer Itam, 11500 Ayer Itam, Pulau Pinang
“Board”	the board of Directors
“Company”	Rimbaco Group Global Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1953)
“Consideration”	a sum of RM22,949,323 to be set off by the Receivables, being the consideration for the Lands and the Apartments and the balance of RM2,831,123 which will be settled by Crimson Omega in cash
“Construction Agreement”	the construction agreement between Rimbaco and Crimson Omega dated 29 December 2017
“Crimson Omega”	Crimson Omega Sdn. Bhd., a company incorporated in Malaysia and a party to the Construction Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Lands”	two pieces of land situated at (i) Perak Road Jelutong known as Geran 10843, Lot No. 616, Seksyen 1, Bandar Jelutong, Daerah Timor Laut, Pulau Pinang and (ii) Geran 10844, Lot No. 618, Seksyen 1, Bandar Jelutong, Daerah Timor Laut, Pulau Pinang
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Receivables”	the amount of RM22,949,323 owed from Crimson Omega to Rimbaco, to be set off by the Consideration pursuant to the Settlement Agreement
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“Settlement”	the settlement under the Settlement Agreement, including the transfer of the Land and Service Apartments and the set off of the Receivables and the balance of RM2,831,123 which will be settled by Crimson Omega in cash
“Settlement Agreement”	the settlement agreement entered into between Crimson Omega and Rimbaco in respect of the Settlement
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Rimbaco”	Rimbaco Sdn. Bhd., an indirect wholly owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 20 December 2024

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 of the Company are Mr. Ng Kok Seng, Mr. Wong Chi Wai and Ms. Yeo Chew Yen Mary.