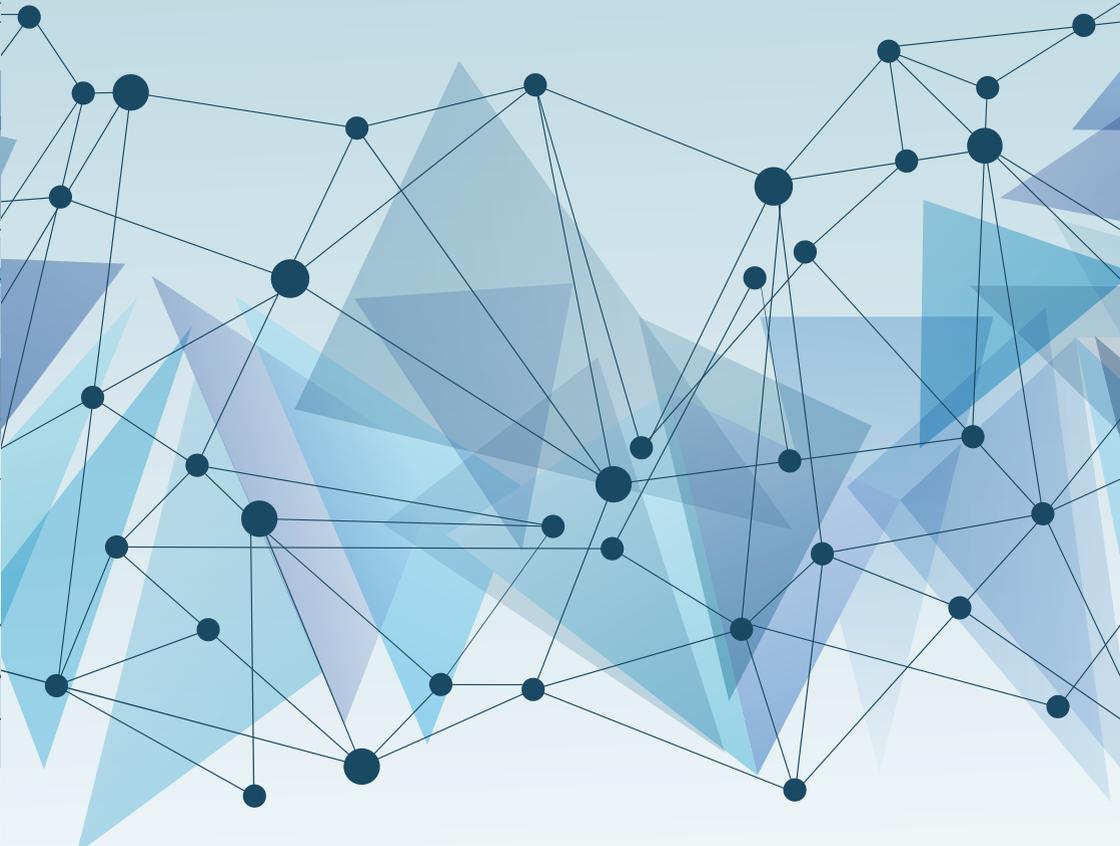




RIMBACO GROUP GLOBAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1953



2022
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

Non-executive Director

Mr. Tong Kai Tak

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

Windward 3, Regatta Office Park
PO Box 1350
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

Windward 3, Regatta Office Park
PO Box 1350
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

AUDITOR

SHINEWING (HK) CPA Limited

Certified Public Accountant
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

LEGAL ADVISER

As to Hong Kong law

Seyfarth Shaw

Suites 3701 & 3708–3710, 37/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL BANKERS

CIMB Bank Berhad

8th Floor Bangunan KWSP
Lot 3009 Off Lebuhr Tenggiri 2
Bandar Seberang Jaya
13700 Seberang Jaya
Pulau Pinang
Malaysia

OCBC Bank (Malaysia) Berhad

36 Lebuhr 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 2022 ("1H2022"), together with the comparative unaudited figures for the six months ended 30 April 2021 ("1H2021") and certain comparative figures as at the end of the last audited financial year 31 October 2021. All amounts set out in this report are presented in Malaysian Ringgit ("RM") unless otherwise indicated.

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; 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 1H2022, the Group completed 4 construction projects with an aggregate contract sum of approximately RM372.1 million of which 3 were factory projects and 1 was institutional project.

The following table sets out details of the projects completed by the Group during 1H2022:

No.	Name	Description of works	Completion date	Approximate 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	16,600
3	12-storey Hospital	Institutional	20 April 2022	322,402
4	Osram – Piling work	Factory	22 April 2022	32,000
				372,067

As at 30 April 2022, the Group had 7 building construction projects in progress with an aggregate contract sum of approximately RM878.2 million of which 4 were factory projects and 3 were institutional, commercial and/or residential projects.

Management Discussion and Analysis



The following table sets out of building construction projects which remained ongoing as at 30 April 2022:

No.	Description of works	Approximate Contract Sum (RM'000)
1	Factory Projects	208,664
2	Commercial Projects	517,973
3	Residential Projects	84,718
4	Institutional Projects	66,800
		878,155

During 1H2022, the Group submitted 3 tenders for factory projects and 3 tenders for institutional and commercial projects. The Group was awarded 1 factory contract with an aggregate contract sum of approximately RM32.0 million.

PROSPECTS

According to *BNM Quarterly Bulletin – First Quarter 2022, Bank Negara Malaysia*, the economy of Malaysia is expected to improve in 2022, underpinned by stronger domestic demand, continued expansion in external demand and improving labour market. Going forward, growth would continue to benefit from the easing of restrictions and reopening of international borders.

However, the risks to Malaysia's growth prospects remain. These include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility around the world.

The operational backdrop continues to be challenging for the Group due to intense competition for available contract works, cost-related challenges which include rising costs of building materials, sky-rocking freight costs, rising labour cost due to higher wage demand as the result of improving labour market and nationwide shortage of foreign workers, especially in the case of construction sector which has been heavily depending on foreign workers, additional project preliminaries and staff cost due to prolonged contract duration caused by slower work progress as a result of nationwide shortage of labour. All the aforesaid factors resulted in the increase in cost of sales of ongoing and completed projects for this financial year which in turn had imposed pressure to the gross profit margin of these projects. However, it is hoped that the timely action taken by the Malaysian Government in reopening of foreign workers recruitment from source country could help to reduce the impact of these woes on the industry.

Management Discussion and Analysis

Moving forward, the Board will closely monitor the market development and from time to time reviews the Group's existing projects and assess its risk. In view of the intense competition for available contract works in the market, the Group will continue to leverage the advantageous of the strong financial position of the Group and the extensive network from our management to expand our present business and explore other related business opportunities to weather the situation.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately RM116.1 million, or 79.5%, from approximately RM146.1 million for 1H2021 to approximately RM262.2 million for 1H2022. Such increase was mainly due to increase in work done from 1 factory project awarded in June 2021, completion of 1 factory project awarded in 1H2022 and completion in the same period, completion of 1 institutional, commercial and/or residential project.

	6 months ended 30 April			
	2022		2021	
	Revenue (RM'000)	% of total revenue	Revenue (RM'000)	% of total revenue
Factory projects	105,149	40.1	32,323	22.1
Institutional, commercial and/or residential projects	156,335	59.6	112,771	77.2
Others	743	0.3	962	0.7
	262,227	100.0	146,056	100.0

During 1H2022, the revenue attributable to factories and institutional, commercial and/or residential buildings amounted to approximately RM105.1 million and approximately RM156.3 million (1H2021: approximately RM32.3 million and approximately RM112.8 million), respectively, representing approximately 40.1% and 59.6% (1H2021: approximately 22.1% and 77.2%), of the total revenue of the Group.

As at 30 April 2022, the Group had an outstanding order book of approximately RM358.3 million (31 October 2021: approximately RM665.0 million).

Management Discussion and Analysis



Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately RM12.1 million, or 54.8%, from approximately RM22.1 million for 1H2021 to approximately RM10.0 million for 1H2022. The decrease in gross profit margin of approximately 11.3% from approximately 15.1% in 1H2021 to approximately 3.8% for 1H2022 was mainly due to the increase in cost of sales of on-going and completed projects as a result of (i) increase in major building material price, e.g. steel bar, Reinforcing Fabrics of Steel (BRC), concrete, mix wood and plywood (ii) increase in labour cost due to nationwide worker shortage caused by expiring foreign workers' permits, poaching of workers as the economy recovers from the Covid-19 pandemic. (Malaysia government froze the hiring of foreign workers in the past two years to stem the spread of Covid-19) (iii) Additional project preliminaries and staff cost due to prolonged contract duration brought on by the pandemic.

Other Income, Gain and Loss

The Group's other income, gain and loss increased from approximately RM0.2 million for 1H2021 to approximately RM0.4 million for 1H2022 which was mainly due to the increase in fixed deposit interest received as the result of increase in restricted bank deposit.

Administrative and Other Expenses

The Group's administrative and other expenses slightly increased by approximately RM0.1 million or 3.8% from approximately RM2.6 million for 1H2021 to approximately RM2.7 million for 1H2022.

Finance Costs

The Group's finance costs slightly decreased by approximately RM0.1 million from approximately RM0.2 million for 1H2021 to approximately RM0.1 million for 1H2022 which was mainly due to decrease in interest charged on bill facilities.

Income Tax Expense

The Group's income tax expense decreased by approximately RM2.8 million or 58.3% from approximately RM4.8 million for 1H2021 to approximately RM2.0 million for 1H2022 due to decrease of profit before tax.

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 RM5.6 million for 1H2022, representing a decrease of approximately RM9.2 million or 62.2% as compared to approximately RM14.8 million for 1H2021.



Management Discussion and Analysis

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 0.5% as at 31 October 2021 to approximately 0.05% as at 30 April 2022, which was mainly due to the decrease in lease liabilities.

During 1H2022, the Group maintained a healthy liquidity position with working capital being financed through cash generated from operations. As at 30 April 2022, the Group's bank balances and cash was approximately RM101.9 million (31 October 2021: approximately RM42.6 million) and the Group's restricted bank deposits were approximately RM13.2 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.

As at 30 April 2022, the current ratio of the Group was approximately 1.94 times (31 October 2021: approximately 2.00 times).

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

Capital Structure

As at 30 April 2022, the capital structure of the Group consisted of equity of approximately RM172.9 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 30 April 2022, the Group did not have any outstanding bank borrowings and 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 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.

Net Current Assets

The Group's net current assets increased by approximately RM7.8 million, or 5.3%, from approximately RM146.5 million as at 31 October 2021 to approximately RM154.3 million as at 30 April 2022, which was a combined effect of the increase in trade and other receivables of approximately RM7.3 million and increase in bank balances and cash of approximately RM59.2 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.

Management Discussion and Analysis



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 1H2022, 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 1H2022. There was no future plan for material investments or capital assets as at 30 April 2022.

Significant Investment Held

The Group did not hold any significant investment (except for its subsidiaries) during 1H2022.

Contingent Liability

Save as disclosed in note 13 to the condensed consolidated financial statements, the Group had no contingent liabilities as at 30 April 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 credit risk primarily arise when the Group had significant exposure to individual customers. As at 30 April 2022, approximately 19.9% (31 October 2021: 19.6%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 80.6% (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 matrix and taking into account the monthly ageing in the past 3 years, in which the loss rate is determined by the probability of default, loss given rate and forward-looking factor.

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.



Management Discussion and Analysis

Pledge of Assets

As at 30 April 2022, restricted bank deposits of approximately RM13.2 million (31 October 2021: approximately RM12.9 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM31.0 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 30 April 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 30 April 2022, the Group's workforce stood at 191 employees, 154 were Malaysian workers and 37 were foreign workers as compared with 189 employees, 147 were Malaysian workers and 42 were foreign workers as at 31 October 2021.

Total staff costs (excluded directors' emoluments) increased by approximately RM0.5 million from approximately RM7.2 million for 1H2021 to approximately RM7.7 million for 1H2022, which was mainly due to increase in labour as compare to 1H2021.

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.

Management Discussion and Analysis



USE OF PROCEEDS

On 28 April 2020, the issued shares of the Company were listed on the Main Board of the Stock Exchange. A total of 315,000,000 ordinary shares were issued to the public at a price of HK\$0.40 per share for net proceeds of approximately HK\$73.5 million (approximately RM38.7 million) (Note 1) after the deduction of related listing expenses. These proceeds were utilised in accordance with the proposed allocation set out in the prospectus of the Company dated 14 April 2020 (the "Prospectus").

Note 1: The net proceeds allocated for each specific use have been adjusted proportionally in the manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds received.

Set out below are details of the allocation of the net proceeds, the utilised amount of the net proceeds during 1H2022:

Use of Net Proceeds	Approximate	Approximate	Approximate	Approximate	Approximate
	Percentage of Total Amount	Actual Net Proceeds HK\$'000	Amount Utilized as at 31 October 2021 HK\$'000	Amount Utilized during 1H2022 HK\$'000	Unused Net Proceeds as a 30 April 2022 HK\$'000
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	–	–
	100%	73,512	29,387	–	44,125

As at the end of 1H2022, the amount of the net proceeds which remained unutilised amounted to approximately HK\$44.1 million and have been deposited in licensed banks.

COMPETING BUSINESS

During 1H2022, 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 Rules Governing the Listing of Securities on the Stock Exchange (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 during 1H2022.

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 2022, 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 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	Approximate 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



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	Approximate 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 2022, 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

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 2022, the following corporation/person (not being a Director or the chief executive of the Company) 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	Approximate 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 2022, 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 during 1H2022.

Corporate Governance and Other Information



Directors' Rights to Acquire Share or Debentures

At no time during 1H2022 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.

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 2022, there were no outstanding share options. No share options were granted, exercised or cancelled or lapsed during 1H2022.

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 during 1H2022.

Interim Dividend

The Board declared an interim dividend of RM0.0095 per share of the Company for 1H2022 (1H2021: Nil). The interim dividend will be paid on Thursday, 28 July 2022 to shareholders whose names appear on the register of members of the Company as at close of business on Friday, 15 July 2022. The interim dividend to be paid in Hong Kong Dollar will be converted from RM at the prevailing market rate at least one week before the dividend payment date.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 13 July 2022 to Friday, 15 July 2022 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 12 July 2022.

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.



Corporate Governance and Other Information

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 1H2022 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.

FOR AND ON BEHALF OF THE BOARD

Low Seah Sun

Chairman

Malaysia

27 June 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 April 2022

	NOTES	6 months ended 30 April	
		2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Revenue	4	262,227	146,056
Cost of services		(252,207)	(123,930)
Gross profit		10,020	22,126
Other income, gain and loss	5	361	221
Share of results of an associate		(13)	4
Administrative and other expenses		(2,721)	(2,568)
Finance costs	6	(120)	(163)
Profit before tax	7	7,527	19,620
Income tax expense	8	(1,972)	(4,771)
Profit for the period attributable to owners of the Company		5,555	14,849
Other comprehensive income (expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		269	(635)
Other comprehensive income (expense) for the period, net of income tax		269	(635)
Total comprehensive income for the period attributable to owners of the Company		5,824	14,214
Earnings per share in RM (cents)			
– Basic and diluted	9	0.44	1.18

Condensed Consolidated Statement of Financial Position

As at 30 April 2022

	NOTES	As at	
		30 April 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Non-current assets			
Property, plant and equipment		9,414	9,668
Investment properties		4,776	5,435
Right-of-use assets		2,984	3,996
Interest in an associate		943	1,003
Other non-current asset		118	118
Deferred tax assets		1,364	1,364
		19,599	21,584
Current assets			
Trade and other receivables	10	90,547	83,275
Contract assets		110,415	150,460
Tax recoverable		2,954	3,855
Restricted bank deposits		13,160	12,870
Bank balances and cash		101,865	42,632
		318,941	293,092
Current liabilities			
Trade, bills and other payables	11	108,207	92,121
Contract liabilities		56,034	53,410
Tax payables		289	221
Lease liabilities		78	806
		164,608	146,558
Net current assets		154,333	146,534
Total assets less current liabilities		173,932	168,118

Condensed Consolidated Statement of Financial Position

As at 30 April 2022

	NOTES	As at	
		30 April 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Non-current liabilities			
Lease liabilities		–	10
Deferred tax liabilities		999	999
		999	1,009
Net assets			
		172,933	167,109
Capital and reserves			
Share capital	12	7,033	7,033
Reserves		165,900	160,076
Total equity			
		172,933	167,109

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 April 2022

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000 (note)	Translation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 November 2020 (audited)	7,033	49,022	2,050	(2,140)	98,821	154,786
Profit for the period	–	–	–	–	14,849	14,849
Other comprehensive expense for the period	–	–	–	(635)	–	(635)
Total comprehensive (expense)/ income for the period	–	–	–	(635)	14,849	14,214
At 30 April 2021 (unaudited)	7,033	49,022	2,050	(2,775)	113,670	169,000
At 1 November 2021 (audited)	7,033	49,022	2,050	(2,577)	111,581	167,109
Profit for the period	–	–	–	–	5,555	5,555
Other comprehensive income for the period	–	–	–	269	–	269
Total comprehensive income for the period	–	–	–	269	5,555	5,824
At 30 April 2022 (unaudited)	7,033	49,022	2,050	(2,308)	117,136	172,933

Note: 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 detailed in the prospectus of the Company dated 14 April 2020 ("Reorganisation"). 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 2022

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
OPERATING ACTIVITIES		
Profit before tax	7,527	19,620
Adjustments for:		
Share of results of an associate	13	(4)
Depreciation of property, plant and equipment	863	902
Depreciation of investment properties	40	12
Depreciation of right-of-use assets	1,012	1,074
Gain on disposal of property, plant and equipment	–	(1)
Loss on disposal of investment properties	246	–
Written-off of property, plant and equipment	23	–
Finance costs	120	163
Interest income	(555)	(159)
Operating cash flows before movements in working capital	9,289	21,607
Increase in trade and other receivables	(7,272)	(21,113)
Decrease in contract assets	40,045	10,542
Increase in trade, bills and other payables	16,086	8,073
Increase/(Decrease) in contract liabilities	2,624	(1,394)
Cash generated from operations	60,772	17,715
Income tax paid	(1,003)	(2,534)
NET CASH FROM OPERATING ACTIVITIES	59,769	15,181
INVESTING ACTIVITIES		
Proceeds from disposal of investment properties	2,000	–
Proceeds from disposal of property, plant and equipment	–	1
Dividend received from an associate	47	47
Interest income received	555	159
Purchase of property, plant and equipment	(632)	(2,340)
Placement of restricted bank deposits	(290)	(3,642)
Purchase of investment properties	(1,627)	–
Release of restricted bank deposits	–	1,003

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 April 2022

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	53	(4,772)
FINANCING ACTIVITIES		
Repayment of principal element of lease liabilities	(738)	(1,659)
Finance costs paid	(120)	(163)
Proceeds from issuance of shares	–	–
Share issue expenses	–	–
NET CASH USED IN FINANCING ACTIVITIES	(858)	(1,822)
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,964	8,587
CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	42,632	44,132
Effect of foreign exchange rate changes	269	(635)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by bank balances and cash	101,865	52,084



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

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 Winward 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.

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 annual audited consolidated financial statements for the year ended 31 October 2021 as set out in the 2021 annual report.

The functional currency of the Company is Hong Kong dollars ("HK\$"), which is different from the functional currency of the subsidiaries and the presentation currency, 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.

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.

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 2022, 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.

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.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

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.

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

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Revenue from contracts with customers recognised over time and disaggregated by types of building construction projects:		
Factory projects	105,149	32,323
Institutional, commercial and/or residential projects	156,335	112,771
Others	743	962
	262,227	146,056

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

5. OTHER INCOME, GAIN AND LOSS

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Bank interest income	555	159
Rental income	30	60
Gain on disposal of property, plant and equipment	–	1
(Loss) on disposal of investment properties	(246)	–
Others	22	1
	361	221

6. FINANCE COSTS

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Interest on:		
Bank borrowings and bank overdraft	115	99
Lease liabilities	5	64
	120	163

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

7. PROFIT BEFORE TAX

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Profit before tax has been arrived at after charging:		
Directors' emolument	891	1,144
Other staff costs:		
Salaries, wages and other allowances	7,081	6,661
Retirement benefit scheme contributions, excluding those of directors	603	502
Total staff costs	8,575	8,307
Auditor's remuneration	412	332
Depreciation of property, plant and equipment	863	902
Depreciation of investment properties	40	12
Depreciation of right-of-use assets	1,012	1,074

8. INCOME TAX EXPENSE

	6 months ended 30 April	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Income tax charge comprises:		
Malaysia Corporate Income Tax		
– current period	1,972	4,771

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

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	
	2022 RM'000 (unaudited)	2021 RM'000 (unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	5,555	14,849
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousand)	1,260,000	1,260,000

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

For the six months ended 30 April 2022

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 April 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Trade receivables from contracts with customers	91,388	85,793
Less: Allowance for doubtful debts/credit losses	(4,002)	(4,002)
Trade receivables, net (note i)	87,386	81,791
Other receivables, deposits and prepayments		
– Other receivables	2,150	269
– Rental and other deposits	1,036	1,094
– Prepayments	1	147
	3,187	1,510
Less: loss allowance on other receivables	(26)	(26)
Other receivables, deposits and prepayments, net	3,161	1,484
Total trade and other receivables	90,547	83,275

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 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Within 30 days	50,360	50,894
31–60 days	26,497	23,762
61–90 days	7,477	5,384
Over 90 days	3,052	1,751
	87,386	81,791

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

11. TRADE, BILLS AND OTHER PAYABLES

	As at	
	30 April 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Trade and bills payables (note i)	78,845	70,647
Retention payables	28,004	17,323
Accruals	699	4,019
Other payables	659	132
	108,207	92,121

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 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Within 30 days	69,676	31,646
31–60 days	9,157	22,931
61–90 days	9	5,561
Over 90 days	3	10,509
	78,845	70,647

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 April 2022

12. SHARE CAPITAL

	Number of shares	Amount HK\$	Amount RM'000
Ordinary shares of HK\$0.01 each			
Authorised			
At 31 October 2020 and 2021 (audited)/30 April 2022 (unaudited)	10,000,000,000	100,000,000	N/A
Issued and fully paid			
At 31 October 2020 and 2021 (audited)/30 April 2022 (unaudited)	1,260,000,000	12,600,000	7,033

Notes:

- (a) All shares issued rank pari passu with the existing shares in all respects.

13. CONTINGENT LIABILITIES

	As at	
	30 April 2022 RM'000 (unaudited)	31 October 2021 RM'000 (audited)
Performance bonds for construction contracts in favour of customers	31,010	34,303

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.

14. EVENT AFTER REPORTING PERIOD

The Company has established a direct wholly-owned subsidiary, namely, Rimbaco (Greater Bay) Development Limited ("Rimbaco (Greater Bay)") in Hong Kong. Rimbaco (Greater Bay) will act as a step stone of the Group to explore the property and construction business and other related business opportunities in the Greater Bay Area.