
6. BUSINESS OVERVIEW (CONT'D)

6.3.2 IT staff augmentation services

We are also involved in the provision of IT staff augmentation services where we recruit and supply IT professionals to our customers, for their internal IT projects and / or to meet their IT operational needs, on fixed contractual periods. The customers for our IT staff augmentation services are business organisations, primarily enterprises, MNCs and conglomerates.

These business organisations may require IT professionals with the relevant expertise for their internal IT projects such as customer data analytics programs, setting up of electronic commerce platforms and development of company websites and mobile applications, on short term project basis. Further, business organisations may also require a team of IT professionals to carry out and manage the daily operations of their IT functions. Instead of having a BPO arrangement by outsourcing their IT function to a BPO company, they may choose to hire a team of IT professionals through staff augmentation arrangement which allows them to have total control of the resources to ensure full commitment to the organisations as well as prompt and timely support during the contractual period.

As it may be time consuming and challenging for organisations to hire suitable professionals for their internal IT projects or to meet their operational needs on a contractual period within a short timeframe, these organisations may outsource the recruitment of these IT professionals to our Group. Further, as we have internal talent databases, industry networks, in-depth understanding and insights in the recruitment market such as salary trends and talent mapping, as well as dedicated resources to handle the recruitment processes, we are able to simplify and speed up the entire recruitment process, and increase the rate of successful hires in order for the organisations to commence and complete their projects on time. Examples of the IT professionals whom we recruit and supply to our customers are in the fields of data analytics, software and application development, web development, and mobile application development, amongst others.

All IT professionals supplied to our customers under IT staff augmentation arrangement are on contract basis. The IT professionals are hired, as and when needed, under our Group's payroll, whereby our Group pays the salaries and manages the welfare / benefits of the IT professionals throughout the duration of the contract period as agreed with our customers. We charge our customers a monthly fee comprising the salaries of the IT professionals plus a percentage mark-up which varies for each customer.

We recruit IT professionals from our internal talent databases comprising both local and overseas talents which we have accumulated over the years from engagement with educational institutions, career fairs, past placements, relevant industry associations and industry players. Further, we also recruit IT professionals through job advertisements, LinkedIn, industry networks and referrals. We perform pre-employment screening and preliminary interviews to ensure the IT skillsets of these IT talents match the requirements indicated by our customers before we refer the IT talents to our customers for subsequent rounds of interviews. Upon request by customers, we may also provide basic soft skills trainings and on-boarding briefings before the hired IT talents begin their employment with our customers. If our customers are not satisfied with the performance of the IT professionals supplied, our Group will be given 30 days to source for replacement of professionals to be supplied to our customers. In the event that there is unavailability of suitable replacements within 30 days, our customers are allowed to terminate the IT staff augmentation contracts and there will not be penalties imposed on our customers in relation to the termination of contracts. Since the commencement of our business and up to the LPD, our Group has not experienced any termination of IT staff augmentation contracts.

Some of the notable customers to whom we have provided IT staff augmentation services include Oracle Malaysia, AIA Shared Services Sdn Bhd and CapitalLand Limited.

6. BUSINESS OVERVIEW (CONT'D)

6.3.3 HCM technology applications

(i) Feet's

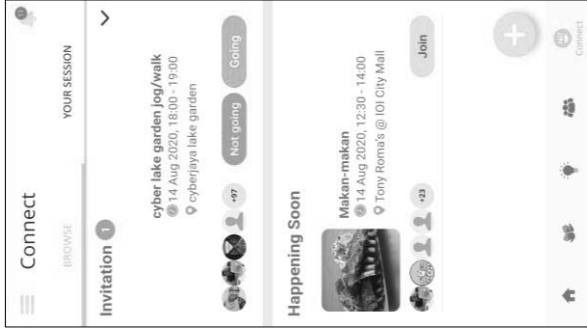
Feet's is an employee engagement mobile application developed in-house and launched in Malaysia in March 2019 and Indonesia in October 2019. Feet's promotes and modernises communications between employees through built-in functions such as forums, peer recognition tools, suggestion platforms and meal groups. Feet's adopts a game-like concept, also known as gamification, to drive proactive and interactive participation. Gamification creates a fun, interactive and rewarding environment to attract employees to actively engage with each other. As such, Feet's helps to foster relationships between employees and enhance transparency across all levels of employees.

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6. BUSINESS OVERVIEW (CONT'D)

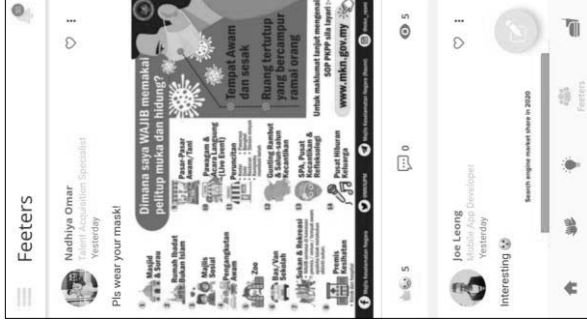
The 5 core features of Feet's are detailed as follows:

(i) Connect



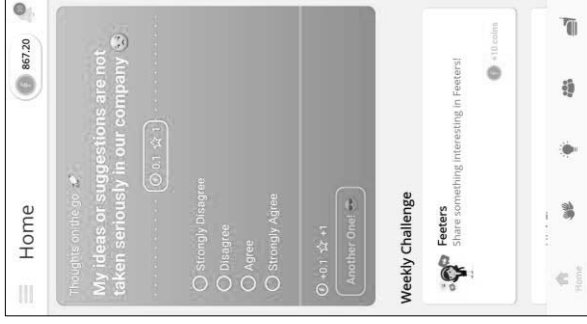
A platform that allows employees to organise events (e.g. dining, social and sport events), and other interested employees are welcomed to join the events. It also allows employees to organise and join virtual meetings on Zoom.

(ii) Feeters



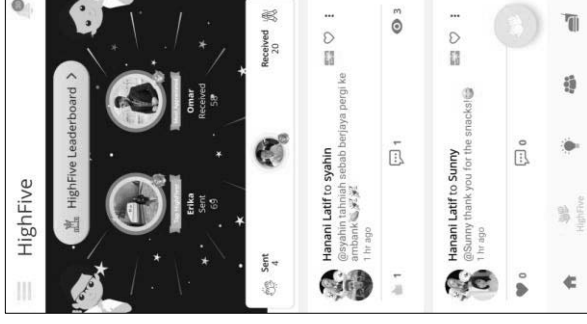
A forum or a social media feed page that allows employees to share their ideas, interesting stories or articles.

(iii) Weekly Quizzes



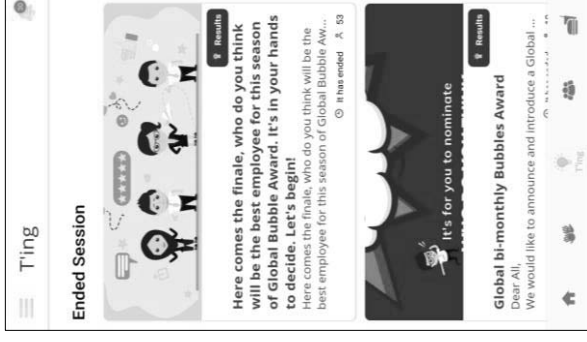
A set of multiple choice questions popped up weekly for employees to answer. The standardised questions are designed by our Group and surrounding the sentiments and emotions of employees. The answers are inputs for data analytics to measure the employees' stress, engagement and happiness level.

(iv) HighFive



A recognition tool that allows employees to recognise their peers' contributions or thank their peers for their help. Both recognising and receiving employees will receive coins to be exchanged for rewards.

(v) T'ing!



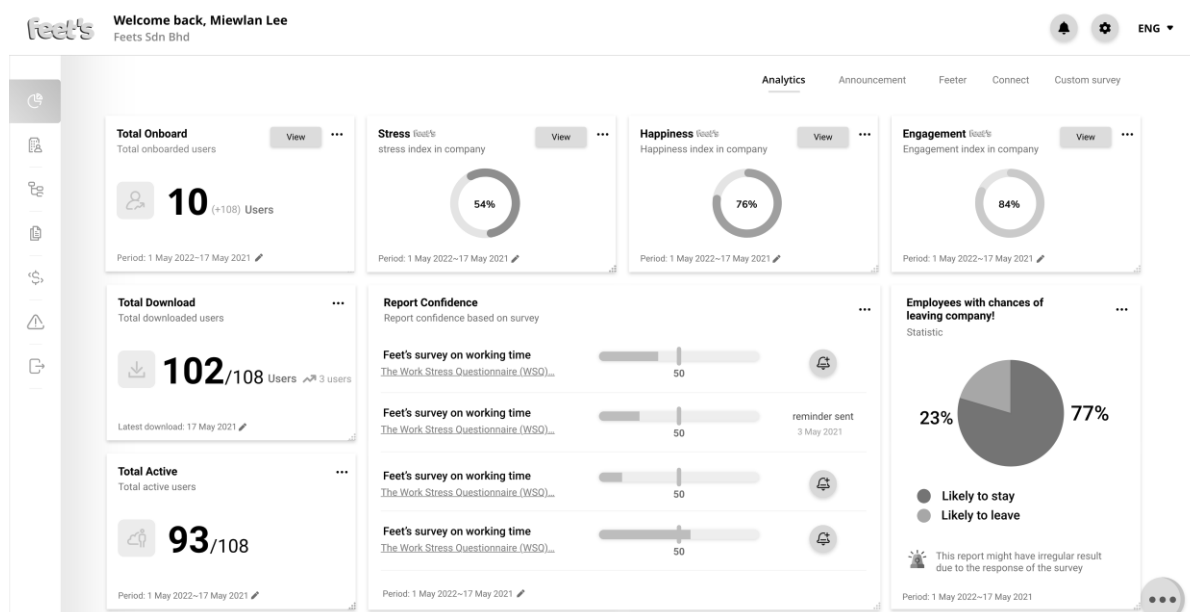
A suggestion box that allows employees to ask for or gather ideas on certain topics, where other employees can provide ideas and vote for the best idea through a built-in polling feature.

6. BUSINESS OVERVIEW (CONT'D)

Through active engagement and usage of Feet's, employees are able to earn coins which can be used to exchange for rewards such as meal or shopping vouchers. Our Group engages with our brand partners, who are food and beverage establishments, online marketplaces and retailers who wish to advertise and attract customers to their stores, to sponsor their meal and shopping vouchers as rewards to Feet's users. As at the LPD, we have 1 brand partner in Malaysia and 1 brand partner in Indonesia sponsoring rewards on Feet's. In view of the movement restrictions and physical / social distancing measures in place due to the COVID-19 pandemic, we are unable to carry out physical sales and marketing activities and to secure brand partners for Feet's. Once the restriction measures ease and / or the COVID-19 pandemic subsides, our Group will actively engage brand partners for reward sponsors on Feet's.

We also conduct weekly pop-up quizzes, designed by our Group and answered by employees using Feet's. The data on employee behaviour, preferences and level of engagement, as well as answers to the weekly quizzes, are inputs used by the in-built data analytics tools on Feet's to measure the stress, engagement and happiness level of employees, which are indicators to employee satisfaction and loyalty. The data analytics tools embedded in Feet's comprise a set of algorithm and parameters designed collectively by our Group in collaboration with a professor of UMCH Technology Sdn Bhd ("**UMCH**"), a company nurtured by the University of Malaya and specialising in connected fitness, wellness and healthcare technology solutions, to analyse the input data to measure the stress, engagement and happiness level of employees. A collaboration agreement was entered into between Feets Malaysia and a professor from UMCH on 7 August 2017 ("**Collaboration Agreement**"). The Collaboration Agreement was subsequently terminated on 1 May 2019. Prior to the termination, by way of letter of confirmation dated 1 April 2019, it was mutually agreed between Feets Malaysia and UMCH that Feets Malaysia would be the sole owner of the intellectual property rights towards the research, programming, algorithm, formulas, design and development of Feet's upon termination of the Collaboration Agreement. As at the LPD, Feets Malaysia is in the midst of applying the intellectual property rights of Feet's, please refer to Section 6.21 of this Prospectus for the details of the intellectual property rights held by our Group.

The dashboard that presents the stress, engagement and happiness level of employees to the management is as follows:



6. BUSINESS OVERVIEW (CONT'D)

With employees' proactive interaction and participation within Feet's, the gathering of employee data in Feet's is on-going and continuous as compared to traditional employee surveys which are usually conducted periodically and on a need-to basis. Hence, Feet's provides organisations with real-time updates of employees' work sentiment and behaviour, thus giving employers the ability to make prompt data-driven decisions to develop talent management strategies, such as evaluating the workload given to the employees based on their stress level and determine whether there is a need to reallocate some workload or hire additional headcounts; assessing the company's culture based on the employees' engagement level to outline strategic plans to enhance company culture; and identifying the happiness level of employees towards current working environment for the employers to predict any potential resignations and take proactive actions to minimise resignations.

As at the LPD, we are in the midst of developing predictive analytics tools to be incorporated into Feet's for better data analysis and interpretation. Moving forward, we plan to incorporate AI technology into Feet's to improve data analysis and produce insightful results to assist the employers for better and more effective decision making. Please refer to Sections 6.6(iii) and 6.13 of this Prospectus for our business strategies and detailed descriptions of the enhancement of Feet's.

Further, through Feet's existing "Connect" feature, subscribers of Feet's can directly access Zoom's video and audio functionalities. With this function, subscribers of Feet's can create virtual meetings and support remote interactions between participants for hybrid events (i.e. events whereby some participants attend physically and some participants attend virtually) without having to switch out of the Feet's mobile application platform or invest in the subscription fees for other communications platform. This enables subscribers of Feet's to be able to communicate to each other more effectively, thereby creating connected, happier and productive workplaces for employees.

Our technical support for Feet's includes resolving issues raised by the subscribers, such as retrieving login details, reporting sensitive or abusive content, and rectifying technical faults to the application. Subscribers raise their issues to our support team through telephone calls, emails or the help centre function within the mobile application whereby the issues will thereafter be directed to our support team for further action. We also provide regular maintenance for Feet's including bug fixes, performance improvements and rolling out new features, if any. Depending on the type of maintenance, a notification for system updates will be sent to the management or to the subscribers. If the maintenance involves system updates that affect management's usage such as the interface of the dashboard presenting the stress, engagement and happiness level of employees, a notification will be emailed to the management together with the system update details such as add-ons of new features and changes in interfaces; whereas if the maintenance involves system updates that affect users' usage such as interface layout and addition of new features, a notification will be sent to the subscribers through the mobile application. The technical support and maintenance of Feet's are carried out in-house by our support team for Feet's.

Our target customers for Feet's are business organisations including enterprises, MNCs, conglomerates as well as educational institutions. We sell Feet's to these customers on a monthly subscription basis based on the number of users in the organisation. Each organisation subscribing to Feet's has its respective account comprising their own employees. The organisation's employees can download Feet's from Apple App Store or Google Play Store, and register and log in based on the organisation's account. Our past and present customers for Feet's include Axiata Digital Services Sdn Bhd and PT PLN (Persero), Indonesian state-owned national power company. Further, as at the LPD, we provide free trial subscriptions to several subsidiaries of Top Glove Corporation Bhd as part of our promotional activities for Feet's.

6. BUSINESS OVERVIEW (CONT'D)

Upon the launching of Feet's in Malaysia in March 2019, we have been featured in multiple newspapers, magazines and online news portals including The Star, New Straits Time, HR Asia, Digital News Asia and Vulcan Post. In Indonesia, Feet's was launched in October 2019 and was also featured by several media including NextTren, Liputan6, Dailysocial.id and Tribunnews.

(ii) Lark

In February 2020, our subsidiary Rams Malaysia entered into a Lark Partner Network Agreement with Lark Technologies Pte Ltd, a Singapore company to resell Lark, a third party collaboration platform, for Asia Pacific region (including Japan and excluding Mainland China) with a tenure of 3 years and any renewal shall be subject to mutual agreement. As at the LPD, while our revenue from the sale of Lark is solely generated from Malaysia, Lark can also be offered in Thailand, Indonesia and Vietnam.

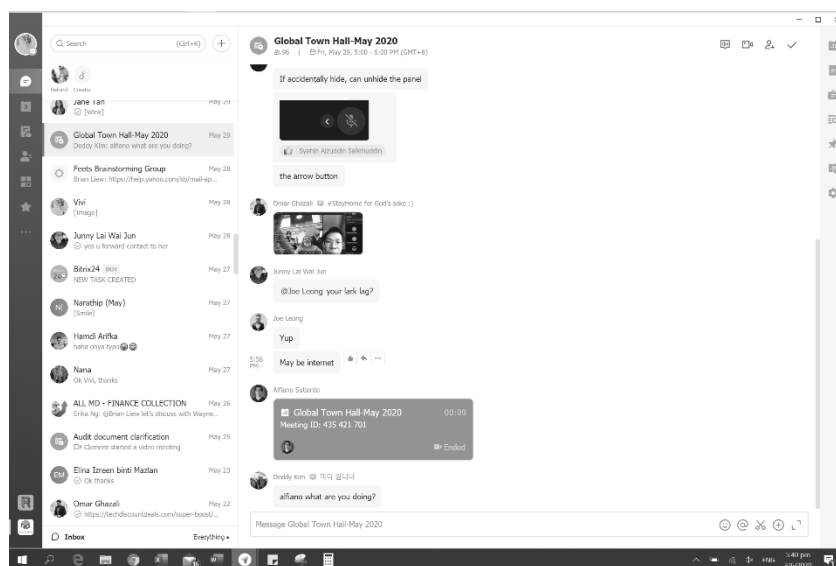
Lark is a single online collaboration platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, teleconferencing and video conferencing, as well as other work-related functions such as scheduling meetings, calendar management, attendance management, document creation and editing, cloud storage and file sharing.

With multiple communication functions consolidated within a single platform, Lark helps to facilitate effective communications between employees as it allows real time interaction between employees from any location. Coupled with other work-related functions such as document creation and editing as well as cloud storage and file sharing, Lark creates a virtual office for employees from different locations to work seamlessly without the need to meet physically, thus enabling employees to work remotely.

A key feature of Lark is the instant translation of messages and documents. As at the LPD, Lark recognises over 100 languages and is able to translate them into 4 languages (i.e. English, Chinese, Thai and Japanese). Further, it is developed with single sign-on feature, where users are required to only login once and they will be able to access all functions under the single platform.

The user interfaces for some of the key features of Lark are as follows:

Instant messenger

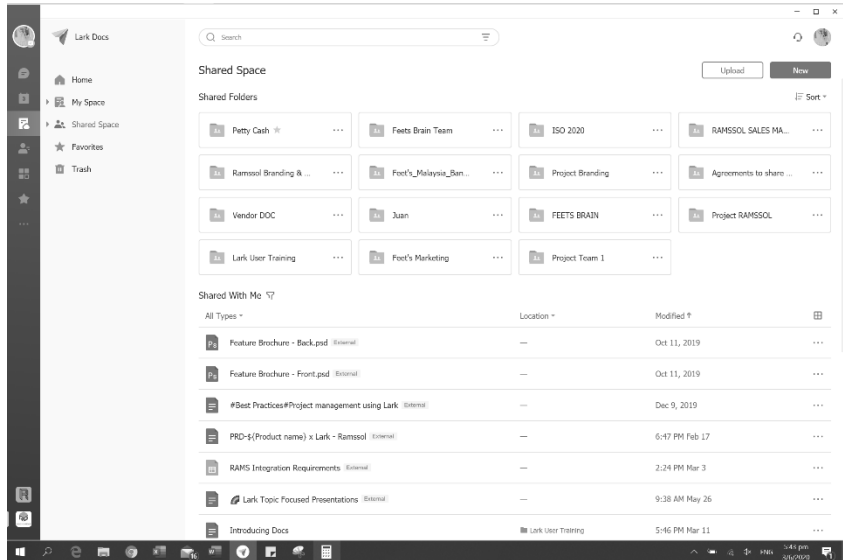


6. BUSINESS OVERVIEW (CONT'D)

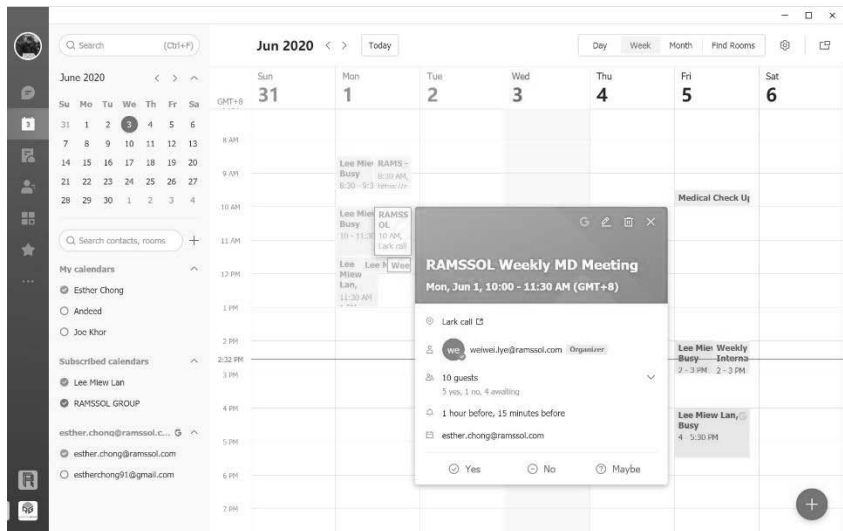
Tele-conferencing and video conferencing



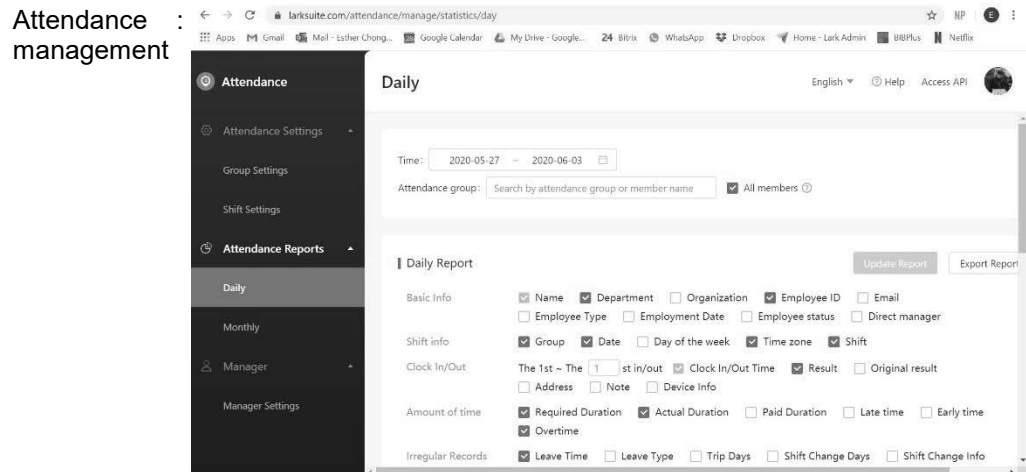
Document sharing



Calendar



6. BUSINESS OVERVIEW (CONT'D)



Apart from reselling Lark's user licences to our customers, we also provide implementation, maintenance and enhancement services related to on-boarding of new users, basic technical support and integration between third party applications and Lark to our customers.

For on-boarding of new users, we are responsible for setting up our customers' company profiles, reporting structures and user accounts for each individual, amongst others, on Lark's host system; as well as providing guidance on the on-boarding process and introduction of the functions of Lark to new users. Further, upon request by our customers to further enhance their user experience or operational processes, we may develop customised applications, and / or integrate third party applications, into Lark. The integration of these additional applications into Lark is carried out on Lark's integrated development environment.

Following the development and / or integration of additional applications into Lark, we may be engaged by the customers for technical support and maintenance for these additional applications. All of these applications are additional coding which do not affect the main coding of Lark, as such Lark does not bear responsibilities for these additional applications and the technical support and maintenance for these applications are carried out by our Group.

For issues related to the main coding of Lark, the technical support and maintenance of Lark is provided by Lark Technologies Pte Ltd. Every user has an instant messenger chatroom that connects them to Lark's customer service. Notifications for new features and system updates will be sent to every user through the chatroom. Further, users can raise technical issues by leaving messages in the chatroom and such issues will be escalated to the support team of Lark. Nevertheless, our customers usually approach us for any issues faced and we will first assist or guide them accordingly. In the event that the issues cannot be resolved by our Group, we will escalate the issues to Lark's customer service or technical support team on behalf of our customers.

As at the LPD, there are 2 editions of Lark, the Standard Edition and the Enterprise Edition (with additional value-added services). We offer Lark to our customers on monthly subscription fees based on the type of account and number of users in the organisation. Upon securing a customer for the subscription of Lark, we will place an order with Lark Technologies Pte Ltd to purchase the user licences. We will be charged for the licence fees for every order placed with Lark Technologies Pte Ltd, and we are required to complete the payment to Lark Technologies Pte Ltd within 30 days upon the invoice date. The payment terms in respect of our purchases of the user licences are quoted in SGD or USD or any other agreed currency.

6. BUSINESS OVERVIEW (CONT'D)

Lark is available on desktop and mobile applications. The desktop version can be downloaded from Lark's website and the mobile application can be downloaded from Apple App Store or Google Play Store.

(iii) IT-related training

In August 2020, our subsidiary, Rams Malaysia entered into an agreement with Megatech, an educational institution in Malaysia to provide IT-related training to unemployed Malaysians under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource. The IT-related training which we provide through this program focuses on office automation which involves digitalisation of business operations using computer software. It aims to reskill and upskill Megatech's students (i.e. unemployed Malaysians) in various aspects including the usage of computer software to enhance the efficiency of business processes.

As at the LPD, the IT-related training provided to Megatech's students are conducted through Lark. While we provide the training directly to Megatech's students, our revenue from this business segment is contributed by Megatech as we act as a trainer to Megatech.

Further, as and when the contract with Megatech ends along with the end of Penjana Kerjaya Program, we intend to continue expanding this new business segment with further details set out in Section 6.6(vi) of this Prospectus.

(iv) Zoom

In November 2020, our Group began to resell or refer Zoom, an enterprise unified communications platform that offers virtual meeting functions between gadgets (i.e. computers and / or mobile devices), for Asia Pacific region (excluding People's Republic of China). Zoom is developed by Zoom Video Communications, Inc, a United States-based company that offers video conferencing, web conferencing and webinar services. As at the LPD, Zoom can be offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.

We purchase and resell the subscription of Zoom to our customers on an as-needed basis, whereby upon securing a customer for the subscription of Zoom, we will place an order with Zoom Video Communications, Inc to purchase the user licences. Further, we can also refer potential customers to Zoom Video Communications, Inc for the purchase of user licences, and in return, we will receive referral fees from Zoom Video Communications, Inc.

The subscription package that we offer to our customers is on an annual renewal basis and it includes all types of licences made available by Zoom Video Communications, Inc. Zoom is available on desktop and mobile applications. The desktop version can be downloaded from Zoom's website and the mobile application can be downloaded from Apple App Store or Google Play Store.

6. BUSINESS OVERVIEW (CONT'D)

6.3.4 Warranty and liquidated damage charges**(i) Warranty**

For organisations and educational institutions who engage our Group for consulting and implementation services directly, upon completion of implementation and when the solutions “go live” and are handed over to our customers, we provide complementary technical support and maintenance services (i.e. warranty) for up to 1 year. Due to the nature of our business, there will not be warranty claims from our customers during the complementary technical support and maintenance period, instead we will rectify and resolve technical issues faced by the users during the period, if any. Upon expiry of the complementary technical support and maintenance services, we provide technical support and maintenance services to the organisations via AMS agreements or on request basis by man-hours.

We do not have warranties for our HCM and student management solution projects appointed by software vendors, or for IT staff augmentation services and HCM technology applications.

(ii) Liquidated damage charges

In the event of delays on project milestones for our HCM solution projects, our customers are allowed to claim for liquidated damages from our Group. Based on the agreements for our current on-going HCM solution projects as at the LPD, our customers are allowed to claim for liquidated damages of up to 5% of the total project cost. For our student management solution projects, any claims for liquidated damages is also capped at 5% of the total project cost. If the projects are secured through software vendors or third party solution providers, we will not be subject to any claims for liquidated damages. Since the commencement of our business and up to the LPD, our Group has not triggered any conditions that could result in claims for liquidated damages from our customers, and our Group has not received any claims for liquidated damages arising from delays in meeting project milestones.

In addition, based on the agreements for our current on-going technical support and maintenance services, our customers are allowed to claim for liquidated damages in the event of delayed responses to technical issues raised by customers and/or major system failure caused by our Group which result in interruptions to our customers' business operations. The collective claim for such liquidated damages during the contract period for technical support and maintenance services is capped at 10% of the total contract value of the technical support and maintenance services. Since the commencement of our business and up to the LPD, our Group has not triggered any conditions that could result in claims for liquidated damages from our customers, and our Group has not received any claims for liquidated damages pertaining to our technical support and maintenance services for HCM and student management solutions.

Our Group is not subject to any claims for liquidated damages for the provision of IT staff augmentation services and HCM technology applications.

6. BUSINESS OVERVIEW (CONT'D)**6.4 PRINCIPAL BUSINESS SEGMENTS AND MARKETS**

In the Financial Years Under Review, provision of HCM solutions was the largest revenue contributor to our Group as it contributed 82.42%, 81.34%, 91.14% and 60.59% to our Group's total revenue, respectively. This was followed by the revenue generated from the provision of IT staff augmentation services in the FYE 2017, FYE 2018 and FYE 2019 with revenue contribution of 17.58%, 18.66% and 8.35% respectively. In 2019, we ventured into the provision of HCM technology applications by launching our in-house employee engagement mobile application, namely Feet's. Hence, the revenue contribution from HCM technology applications has been minimal, at 0.51% in FYE 2019, as Feet's is in commencement stage and our Group is actively expanding our subscriber base. In the FYE 2020, HCM technology applications segment emerged as the second largest contributor to our Group's revenue. This was contributed by the provision of consulting and implementation as well as technical support and maintenance in relations to Lark and provision of IT-related training to Megatech, a new customer secured in FYE 2020.

The breakdown of our Group's revenue by principal activities in the Financial Years Under Review is as follows:

Principal activities	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue
HCM and student management solutions	5,611	82.42	10,186	81.34	14,071	91.14	15,349	60.59
IT staff augmentation services	1,197	17.58	2,337	18.66	1,290	8.35	876	3.46
HCM technology applications	-	-	-	-	(1) 78	0.51	9,106	35.95
Total revenue	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

Note:

(1) In FYE 2019, the revenue under this business segment was solely derived from the subscriptions of Feet's, as our sale of Lark only commenced in February 2020.

Our revenue from the local market contributed approximately 24.95%, 22.96%, 31.64% and 45.53% of our Group's total revenue for the Financial Years Under Review. Our Group's revenue from the overseas market accounted for approximately 75.05%, 77.04%, 68.36% and 54.47% of our Group's total revenue for the Financial Years Under Review. The classification of our Group's revenue by geographical market is based on the location of the customer, regardless of the location the work is carried out. The breakdown of our Group's revenue by geographical market in the Financial Years Under Review are as follows:

6. BUSINESS OVERVIEW (CONT'D)

Geographical location	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue
Malaysia	1,698	24.95	2,876	22.96	4,885	31.64	11,534	45.53
Singapore	4,177	61.35	3,982	31.80	3,577	23.17	2,879	11.37
Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
Vietnam	30	0.44	156	1.25	90	0.58	-	-
Indonesia ⁽¹⁾	-	-	-	-	1,362	8.82	3,310	13.07
The Netherlands ⁽²⁾	193	2.83	446	3.56	92	0.60	54	0.21
Taiwan ⁽²⁾	228	3.35	-	-	-	-	-	-
Total revenue	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

Notes:

- (1) Prior to the establishment of Rams Indonesia on 10 January 2019, there was 1 HCM solution project in Indonesia secured by Rams Malaysia in December 2018, which the consulting and implementation works of the project were performed by Rams Malaysia in Malaysia.
- (2) We do not have business presence in these countries. Rams Malaysia and Rams Singapore supply IT staff to Epicenter Amsterdam, a company based in the Netherlands, through offsite arrangements whereby the IT staff are based in their respective countries and work remotely; and Rams Singapore delivered HCM solutions services to Powertech Technology Inc, a company based in Taiwan.

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6. BUSINESS OVERVIEW (CONT'D)

6.5 OUR COMPETITIVE STRENGTHS**(i) We have a proven project track record involving large organisations in multiple countries across multiple industries**

Since the commencement of our business in 2011, we have provided HCM and student management solutions to many notable local and foreign organisations including large enterprises, GLCs, MNCs, conglomerates and government agencies, as well as educational institutions in Southeast Asia, through projects awarded directly to us by these end-users (i.e. organisations and educational institutions), or where we are appointed by software vendors or third party solution providers. These end-users may have businesses across multiple industries and/or presence in multiple countries. Please refer to Section 6.3.1(iv) of this Prospectus for the list of end-users in Malaysia, Singapore, Thailand, Indonesia and Vietnam, whom we have provided our HCM and student management solutions to.

Besides the countries in which we have presence, our Group has also been involved in HCM solution projects in the Philippines, Hong Kong, Australia and New Zealand through Rams Malaysia; and Taiwan and Japan through Rams Singapore. These projects were secured through third party solution providers, or referred by our existing customers to extend the coverage of our HCM solutions to countries in which they have offices or projects.

Our ability in delivering projects to many renowned organisations demonstrates our capabilities in developing large scale and centralised HCM solutions that standardise and streamline the HR processes of their multiple subsidiaries and branches in different locations. Our HCM solutions help to ensure standardisation and accuracy in recording and storing HR-related information for ease of data analysis, which eventually improves the overall efficiency of HR management. This is attributed to our experience and knowledge in HR which enable us to understand each organisation's unique HR practices and advise the organisations accordingly to enhance and streamline their HR functions. Please refer to Section 6.5(iii) of this Prospectus for further details on our experience and knowledge in HR.

With an established portfolio of customers and end-users, we have built a proven reputation in the HCM solutions industry in Southeast Asia. This provides our Group with the credentials to attract and secure more projects and business opportunities within Southeast Asia, which will contribute positively to our business expansion and financial performance.

(ii) We have regional presence in Southeast Asia with robust knowledge of local organisational dynamics and strong understanding of local employment laws

Our Group is headquartered in Malaysia and we have offices across 4 other countries in Southeast Asia, namely Singapore, Thailand, Indonesia and Vietnam. As at the LPD, we have in-house consultants based in each of our offices, i.e. 19 in Malaysia, 6 in Singapore, 8 in Thailand, 7 in Indonesia and 3 in Vietnam. These consultants have knowledge and understanding of local organisational dynamics as well as local employment laws in their respective countries. The number of our in-house consultants certified by Oracle Corp is set out in Section 6.11 of this Prospectus.

Organisational dynamics refer to factors that affect the operations of an organisation from the perspective of human behaviour, such as working cultures, leadership styles, HR processes and communication practices between employees. It is important to have consultants who understand local organisational dynamics as all of these factors may determine the need for localised solutions and have to be taken into consideration during the design of workflow for HCM solutions.

6. BUSINESS OVERVIEW (CONT'D)

Further, our consultants in the respective countries have good understanding of the local employment laws and other rules such as statutory payments and contributions including employee income tax rates, retirement fund contribution rates and workers' compensation funds; employee safety and health standards; and HR audit processes. They also keep abreast with, and / or are notified of, any changes to the local employment laws in a timely manner, which will enable us to deliver localised and up-to-date HCM solutions to meet local organisational needs.

In addition, our consultants based in each of our overseas offices are involved in on-site pre-sales activities where they carry out product demonstrations to potential customers (i.e. organisations) prior to any completion of sales. Our in-house consultants in each of our offices also provide on-site technical support and maintenance services to local customers when required. Having physical presence across Southeast Asia ensures that we are in close proximity to our customers, thus enabling us to promptly respond to their needs.

Our Group's regional presence in Southeast Asia provides our customers with the assurance that local support is available when needed. Further, our regional presence in Southeast Asia also serves as a platform to support our business expansion in Southeast Asia.

(iii) Our experience and knowledge in HR enable us to enhance the efficiency of an organisation's HR functions using our suite of HCM solutions and technology

With around 10 years of experience in the HCM solutions and technology business, our Group has accumulated relevant HR knowledge to assist organisations in streamlining and enhancing their HR functions using HCM solutions. To develop an effective HCM solution for an organisation, thorough understanding of the organisation's HR practices as well as extensive knowledge and experience in HCM technology and software are required. Our consultants are equipped with the aforementioned know-how and skillsets to develop customised and effective HCM solutions.

Our consulting team understands and gathers detailed requirements of an organisation's unique HR practices, and thereafter digitalise and transform its HR systems by proposing a customised HCM solution to improve and enhance the overall efficiency of its HR functions. Thereafter our implementation team develops the HCM solution, which includes software customisation, configuration and deployment according to information gathered during the consulting stage.

Our experience and knowledge in HR have also facilitated our expansion into IT staff augmentation services, specifically for IT professionals on fixed contractual basis. Recruitment of professionals typically requires in-depth understanding and insights into the dynamics of the recruitment market. Our presence in the HCM solutions industry has also allowed us to develop a network of local and foreign IT talents, which has enabled us to recruit and provide IT talents that suit the roles required by our customers.

In addition, after years of experience in the HCM solutions industry, we observed and recognised that effective communication between employees and active engagement in organisational activities are key to improving work efficiency and enhancing employee engagement and commitment, which eventually benefits the organisations. In view of this, we commenced the R&D of our first in-house product, an employee engagement mobile application named Feet's in 2017, and Feet's was subsequently launched in Malaysia in March 2019, which is a significant milestone for our Group. Feet's assists organisations to strengthen relationships between employees and enables organisations to assess employee satisfaction and loyalty. Please refer to Section 6.3.3(i) of this Prospectus for further details of Feet's.

6. BUSINESS OVERVIEW (CONT'D)

Our industry knowledge on HR needs and employee collaboration has also led us to further extend our suite of HCM offerings to include Lark, a third party collaboration platform. Lark is a single communication platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, teleconferencing and video conferencing, as well as other work-related functions. With Lark, we now have a comprehensive suite of HCM solutions and technology. Please refer to Section 6.3.3(ii) of this Prospectus for further details of Lark.

Our expertise in HCM solutions and technology is attributed to our team of experienced and competent consultants who have extensive and up-to-date HR knowledge, which allow us to continuously provide optimised and innovative HCM solutions and technology to our customers. Further, it is also our Group's core values and beliefs to continuously endeavour for improvement, and as such we strive to ensure that we remain at the forefront of the HR industry by continuously investing in our employees and staying abreast with the latest HCM solutions and technology. All of these will continue to drive the growth and expansion of our Group.

(iv) We have an experienced key senior management team

Our key senior management team possesses in-depth industry knowledge, technical know-how and experience in HCM technology and solutions. Our CEO, Tan Chee Seng and our COO, Lee Miew Lan have over 15 years and over 21 years of experience in the consulting and implementation of HCM solutions, respectively. They have contributed significantly to our Group's historical expansion, and will continue to play pivotal roles in our Group's future growth.

Our CEO and COO are supported by a team of key senior management personnel comprising:

Name	Designation	Years of relevant working experience
Liew Yu Hoe	CIO	15
Soh Meng Siit	CFO	23

We believe that our key senior management team, with their respective experience and commitment to our Group, and coupled with teamwork between them, will provide impetus for the continuous growth of our Group in the future.

6.6 OUR BUSINESS STRATEGIES AND FUTURE PLANS**(i) We intend to enlarge our regional presence in Southeast Asia by expanding into the Philippines**

We have established a proven project track record in Southeast Asia due to our presence in Malaysia, Singapore, Thailand, Vietnam and Indonesia. This has provided our Group with the foundation for further expansion and growth in the region. In line with our regional expansion plans, we intend to enlarge our footprint in Southeast Asia by expanding into the Philippines.

To facilitate our expansion into the Philippines, we plan to set up an office in Manila to focus on the provision of HCM and student management solutions and HCM technology applications. The establishment of our new office in Manila is estimated to cost RM2.75 million, comprising the purchase of office equipment, staff payroll, office rental and marketing cost for our HCM and student management solutions and HCM technology applications, over the initial 2 years of establishment. In terms of staff payroll cost, it will comprise a local Managing Director; 6 local consultants to be involved in the

6. BUSINESS OVERVIEW (CONT'D)

provision of HCM and student management solutions, including pre-sales, consulting and implementation as well as technical support and maintenance services; 3 local sales and marketing personnel to be involved in sales and customer service for HCM technology applications and acquire brand partners for the sponsorship of rewards for Feet's; and 1 local administrative, HR and finance personnel. We plan to utilise RM2.50 million from our IPO proceeds to fund this expansion, and the remaining cost will be funded by internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

We plan to commence the setting up of the office in Manila and recruitment of new staff immediately upon our Listing, and commence operations within 12 months upon Listing. As at the LPD, we have identified a co-working space in Manila, of which we plan to rent a room within the co-working space that is potentially suitable to be our office. Notwithstanding that the co-working space identified will provide basic office equipment such as office desks, chairs and shared printers, the IPO proceeds earmarked for the purchase of office equipment include the purchase of stationeries, laptops, printers, servers and other peripheral equipment. The purchase of printers despite the availability of shared printers is to ensure the privacy of the documents printed. Further, we require our own laptops and servers due to the nature of our services as our consultants will have to perform software coding on laptops, and our software applications, documents and codes stored in our laptops will need to be backed up in the servers. The printers and servers will be placed in the dedicated room which we plan to rent, and the dedicated room can only be accessed by our employees.

As at the LPD, our Group has commenced preliminary relationship building activities in the Philippines, primarily involving discussions with Oracle (Philippines) Corporation ("**Oracle Philippines**") to explore for business opportunities and understand the market dynamics in the Philippines.

The expansion to the Philippines is expected to grow our business regionally and strengthen our position as a regional HCM solution and technology specialist in Southeast Asia.

(ii) We intend to expand the presence and subscriber base of Feet's and Lark in Southeast Asia

Our in-house employee engagement mobile application, Feet's, was launched in Malaysia and Indonesia in March 2019 and October 2019 respectively. As at the LPD, we have secured 4 organisations with a total of around 3,700 subscribers in Malaysia (comprising both paid users and users under free trials), and 4 organisations with a total of around 1,200 subscribers in Indonesia. As Feet's is relatively new in the market, we intend to further enhance its presence and grow its subscriber base in Malaysia and Indonesia by continuing our active marketing and promotional activities for Feet's. Please refer to Section 6.9 of this Prospectus for details of our sales and marketing activities for Feet's. Further, we also intend to expand the presence of Feet's to other Southeast Asian countries in which we currently operate, namely Singapore, Thailand and Vietnam. We plan to officially launch Feet's in Thailand within 13 months after our Listing, in Vietnam within 17 months after our Listing and in Singapore within 20 months after our Listing.

Our Group has also been a reseller of Lark, a third party collaboration platform, in the Asia Pacific region (including Japan and excluding Mainland China), since February 2020. Following the outbreak of the COVID-19 virus, collaboration platforms such as Lark have become increasingly important as it can create a virtual office for employees from different locations to work seamlessly without the need to meet physically and enables employees to work remotely. As such, we intend to leverage on the growing need for collaboration platforms to continue promoting Lark in Malaysia as well as other countries including Thailand, Indonesia and Vietnam. Our Group does not intend to

6. BUSINESS OVERVIEW (CONT'D)

resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. We intend to commence the launch marketing of Lark in Thailand within 4 months after our Listing and in Vietnam within 8 months after our Listing. For Indonesia, we began the launch marketing of Lark in February 2021.

To facilitate the expansion of the presence of Feet's and Lark in Southeast Asia, we plan to hire a team of 6 local personnel each in the countries in which we intend to expand the presence of Feet's and / or Lark into (i.e. Singapore, Thailand, Indonesia and Vietnam) as well as Malaysia in which both Feet's and Lark are currently present, to carry out sales and marketing and customer service activities for Feet's and Lark, as well as to acquire brand partners for the sponsorship of rewards on Feet's. As at the LPD, we have hired 6 sales and marketing personnel in Malaysia and 2 sales and marketing personnel in Vietnam. The hiring of local sales and marketing personnel for Thailand, Indonesia and Singapore are currently ongoing. Further, we intend to carry out continuous marketing and advertising for Feet's and / or Lark in Thailand from the 2nd month onwards after our Listing, in Vietnam from the 5th month onwards after our Listing and in Singapore from the 12th month onwards after our Listing.

We have commenced some preparation works as mentioned above for this expansion plan and will continue with the expansion plan upon our Listing at a staggered timeline. The cost to be incurred for the payroll cost of the sales and marketing personnel, as well as expenses for sales and marketing activities over a period of 2 years is estimated to be RM1.52 million for each country, bringing the total estimated cost to RM7.60 million. We intend to utilise RM6.22 million from our IPO proceeds to fund these and the remaining cost will be funded by internally generated funds and / or bank borrowings.

In addition, Feet's has to be modified and localised, especially the language of its user interface, in order to suit the usage in Thailand and Vietnam. The modification and localisation of Feet's for its usage in Thailand and Vietnam is estimated to cost RM0.24 million. We have commenced the localisation works for Feet's to be used in Thailand through internally generated fund, and we intend to utilise RM0.13 million from our IPO proceeds for the localisation of Feet's for its usage in Vietnam that we intend to commence immediately upon Listing. Any excess and unutilised funds for this allocation will be utilised for sales and marketing activities.

In brief, the total estimated cost for this business strategy is RM7.84 million, out of which RM6.35 million will be funded from our IPO proceeds and the remaining RM1.49 million will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

The expansion of Feet's and Lark is expected to contribute positively to our financial performance through the increased generation of recurring revenue. In addition, it is also expected to enhance our brand exposure across Southeast Asia and attract more business opportunities to our Group.

6. BUSINESS OVERVIEW (CONT'D)**(iii) We intend to enhance our R&D activities primarily for the enhancement of Feet's and development of bolt-on modules for our HCM solutions**

Our Group recognises the importance of continuous R&D efforts to enhance our HCM offerings to remain competitive and relevant in the HCM solution and technology industry. As such, we intend to continue our focus on R&D activities, as detailed in the below:

- Enhancement of Feet's through the incorporation of AI technology

As at the LPD, Feet's uses data analytics tools, which have been incorporated with a set of pre-designed algorithm and parameters, to analyse the input data of Feet's (e.g. data on employee behaviour, preferences and level of engagement, as well as answers to the weekly pop-up quizzes) to measure the stress, engagement and happiness level of employees.

As our Group intends to continuously improve data analysis and produce insightful results that assist employers to better understand their employees and to facilitate more effective decision making, we plan to incorporate AI technology into Feet's. The AI technology contains machine learning capabilities and predictive data analytics to provide impactful insights for employers to improve employee engagement and to retain valuable talents. AI technology can offer predictive insights into employees' behavioural patterns such as an employee's tendency to quit; or providing insights for organisations to develop personalised training programs for individual employees based on their personality and needs. Please refer to Section 6.13 of this Prospectus for details of the on-going and future R&D innovations of Feet's.

We plan to hire 15 additional employees who have expertise in AI technology, such as AI programmers, data scientists and data analysts, to carry out in-house development of the AI modules and to integrate these modules into Feet's. Further, we also plan to engage third party AI experts for the conceptualisation of the AI modules, including designing the algorithms and parameters to be used in the AI modules. We expect to commence this enhancement of Feet's immediately upon our Listing, with target completion within 2 years. The payroll cost of the new AI employees, engagement fees for third party AI experts and working capital are estimated to cost RM3.19 million over the 2 years, out of which we intend to utilise RM3.08 million from our IPO proceeds and the remaining cost will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds. Following the completion of this enhancement of Feet's with AI technology, our new AI employees will continue to be part of our R&D team focusing on the continuous enhancement of Feet's.

- Development of bolt-on modules for our HCM solutions

As part of our HCM solutions business, we develop bolt-on modules and incorporate these modules to our customers' on-premise HCM and student management solutions. Among the bolt-on modules our Group has developed include modules for payroll, claims application and leave management as well as mobile-friendly layouts and user interfaces for some default modules.

We have received enquiries from our customers to develop and integrate customised bolt-on modules into their cloud-based HCM solutions. However, the bolt-on modules in cloud-based HCM solutions are different from the bolt-on modules in on-premise HCM solutions, as it requires more specialised programming skills and integration tools in view of the connectivity and privacy concerns for cloud-based solutions.

6. BUSINESS OVERVIEW (CONT'D)

As such, we plan to purchase software licences of Oracle Corp's cloud-based HCM software (i.e. Oracle Cloud HCM and Oracle Taleo Talent Acquisition) for our internal R&D activities to develop bolt-on modules for cloud-based HCM solutions. The purchase of the software licences is estimated to cost RM1.94 million, out of which RM1.02 million will be funded from our IPO proceeds and the remaining cost will be funded through internally generated funds and / or bank borrowings. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

The enhancement of Feet's is expected to increase its attractiveness and may allow us to attract more organisations to subscribe to Feet's, thus increasing our recurring revenue. Further, the development of bolt-on modules for our cloud-based HCM solutions is expected to increase our flexibility in customising HCM solutions and to meet our customers' demand, which will in turn attract more business opportunities to our Group and eventually contribute to our business growth.

(iv) We plan to expand our IT staff augmentation business

For the Financial Years Under Review, revenue contribution from the provision of IT staff augmentation services was recorded at 17.58%, 18.66%, 8.35% and 3.46% of our total revenue respectively. According to the IMR report, the demand for IT staff augmentation services will continue to be driven as organisations choose to leverage on the technical IT knowledge and IT recruitment expertise of IT staff augmentation service providers to ensure the best talent with the right skillsets and experience are hired to meet their internal IT project requirements, thus allowing organisations to minimise the impact of mismatched hires that may cause potential disruptions to the projects. Notwithstanding that there is a slowdown in the demand for project-based recruitment due to the impact of COVID-19 pandemic on the financial position of many organisations leading to tighter budgets and abortion/delay of non-essential ad-hoc IT projects, our Group believes that such demand will revive once the impact of COVID-19 pandemic subsides and economy recovers. In view of the long term prospects and value propositions of project-based recruitment, we intend to expand our IT staff augmentation business.

However, the provision of IT staff augmentation services requires high cash commitment as the IT professionals supplied to our customers are hired under our Group's payroll. We pay the salaries of the IT professionals at the end of each month but we usually receive the fees (i.e. salaries with a percentage mark-up) from our customers at least another 1 month later (i.e. our customers are given credit periods of up to 45 days upon the issuance of invoices at every month-end). Hence, we require cash flow to fulfill the payroll of each IT professional supplied to our customers for the initial 2 months. Due to this high cash commitment, we have not actively expanded this business in the past as we need to preserve cash flow for our operations.

This IPO exercise gives us the platform to expand our IT staff augmentation business, where we intend to utilise RM0.79 million from our IPO proceeds, which is part of our working capital, to fund the cash flow requirements to support the initial 2-month payroll of the IT professionals, which we expect to hire and supply to our customers.

Our Group believes that the expansion of our IT staff augmentation business will allow us to generate additional revenue which in turn will improve our financial performance.

(v) We intend to increase the sale of software licences from large organisations

As part of our provision of HCM and student management solutions, we are also involved in the sale of software licences whereby we purchase HCM and student management software licences from software vendors on wholesale basis and resell them to our customers, thereafter followed by the implementation of HCM and student

6. BUSINESS OVERVIEW (CONT'D)

management solutions, respectively. Although our customers can choose to purchase software licences directly from software vendors, there are customers who prefer to transact with a single vendor who covers the entire implementation process of HCM and student management solutions including the sourcing of software licences.

The sale of software licences provides our Group with an additional source of revenue and profit. However, it requires us to purchase the licences from the software vendors in advance of any implementation of solutions. We are typically required to complete the payment for the licences to the software vendors within 30 days, while the cost of software licences are included as part of project value and we collect payment from our customers based on project milestones, which may spread over several months. For customers that we resell the software licences on a standalone basis, we grant these customers credit periods of up to 45 days, based on our customer requests. Further, as our customers are generally large organisations which require the purchase of licences numbering in the thousands, the cost to purchase software licences is relatively high. Both of these factors necessitate a high level of cash flow requirements for our Group. Hence, we require cash flow to support the payment to software vendors for the purchase of software licences before we collect payment from our customers which are generally spread across the project lifecycle. Due to the high cash flow required, we sell software licences only for selected projects based on available cash flow and not for all the HCM or student management solution projects that we are involved in.

As the sale of software licences generates additional stream of profits for our Group, we intend to secure the sales of software licences in more new HCM or student management solution projects when we secure these projects in the future. We intend to allocate RM2.25 million from our IPO proceeds, which is part of our working capital, to fund the cash flow requirements to expand this business segment.

In addition to increasing our profitability, the ability to secure the sales of HCM software licences along with our consulting and implementation services makes our Group well-positioned to be a one-stop solution provider for HCM and student management solution projects in the future, which will in turn contribute positively to our business growth and financial performance.

(vi) We plan to continue to expand our IT-related training business

Our Group has been involved in HCM-related business for around 10 years and has accumulated in-depth industry experience, relevant HR knowledge and IT knowledge as well as relationships with industry stakeholders. In 2020, our Group harnessed these experience, knowledge and relationships to expand our business into the provision of IT-related training to Malaysians who intend to upskill their technical knowledge and skills, primarily in computer software and solutions.

In August 2020, Rams Malaysia entered into an agreement with Megatech to provide IT-related training (i.e. office automation involving digitalisation of business operations using computer software) to unemployed Malaysians through online training sessions via Lark, under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource. The Penjana Kerjaya Program, which commenced in August 2020, is a program focused on providing training in terms of reskilling and upskilling Malaysians to enhance their employability. The IT-related training provided by Rams Malaysia to individuals (i.e. unemployed Malaysians) who enrol as students of Megatech, are aimed to reskill and upskill Megatech's students in various aspects including the usage of computer software to enhance the efficiency of business processes.

Moving forward, we intend to continue expanding this new business segment by closely observing the market needs in terms of the demand for specific training programs, as well as actively seek collaboration opportunities with third parties which will allow us to

6. BUSINESS OVERVIEW (CONT'D)

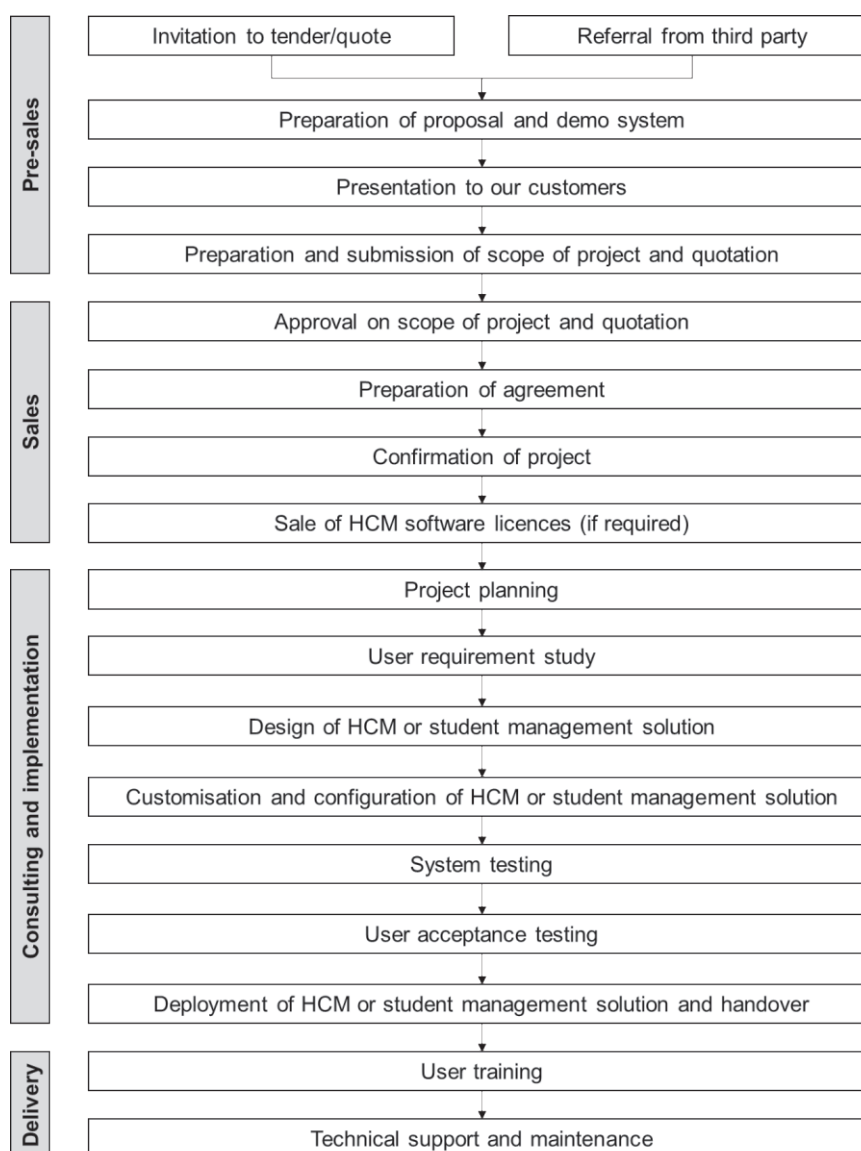
discover new business opportunities. Apart from office automation, we are in the process of designing several other training programs suitable for the Malaysian workforce, including business digital transformation and workplace industrialisation.

Our provision of IT-related training has provided us with an additional stream of revenue. It is also an avenue to expand our subscriber base for Lark as most of the training sessions which we anticipate to provide in the future will have options to be conducted via Lark in view of the COVID-19 pandemic and physical distancing measures in place. Further, it will enable us to expand our network and exposure to the talent market which is expected to consequently benefit our IT staff augmentation business.

The expansion of our IT-related training business shall be funded via internally generated funds or our working capital.

6.7 OUR OPERATIONAL PROCESS

The typical process flow of our HCM solutions business is depicted below:



6. BUSINESS OVERVIEW (CONT'D)

Pre-sales**(i) Invitation to tender / quote or referral from third party**

We participate in tenders and quotations after receiving invitations to tender or invitations to quote directly from the end-users (i.e. organisations and educational institutions), or referrals of projects from third parties such as software vendors, solution providers or existing customers. At this stage, we receive some basic information and requirements of the project such as the preferred HCM or student management software, modules required, number of employees or students, operating system and the existing HCM or student management software (where applicable), which allow us to evaluate the feasibility of the project.

(ii) Preparation of proposal and demo system

If the project is feasible, we will prepare a proposal and demo system according to the basic requirements provided for presentation to our customers. If the project is referred by a software vendor or a third party solution provider, we usually participate in the demo presentation with the presence of the software vendor or the third party solution provider as we will eventually be appointed by the software vendor or the third party solution provider for consulting and / or implementation works.

(iii) Presentation to our customers

During the presentation, we will gather additional details of the project from our customers, including detailed requirements of the HCM or student management solution, timeframe and budget. In addition, we will also understand the issues faced by our customers with their existing HCM or student management software.

(iv) Preparation and submission of scope of project and quotation

Thereafter, we will prepare a scope of work specifying the detailed specifications of our HCM or student management solution, project timeline and quotation, which will be submitted to the software vendor, the third party solution provider, the organisation or educational institution, whichever is our customer, for approval.

Sales**(i) Approval on scope of project and quotation**

For projects awarded directly by the end-users (i.e. organisations or educational institutions), if our scope of project and quotation are approved, we will receive a letter of acceptance from the end-users and will proceed to the preparation of agreement. For projects referred by software vendors or third party solution providers, we will be notified by them and a purchase order will be issued to us as a confirmation of project.

(ii) Preparation of agreement

Our agreement outlines the detailed specifications of our HCM or student management solution, project timeline, project fees, payment terms as well as clauses in relation to our responsibilities including user acceptance testing, user training and complementary technical support and maintenance services, where applicable.

(iii) Confirmation of project

Once all requirements of the project are finalised, a signed agreement will be provided to us to confirm our appointment. The details of the project will then be provided to our project team for project planning.

6. BUSINESS OVERVIEW (CONT'D)

(iv) Sale of software licences (if required)

In cases where we secure HCM or student management solution projects directly with the organisations or educational institutions which includes the provision of software licences, we will source software licences from our software vendor to be resold to our customers.

Consulting and implementation**(i) Project planning**

During the project planning stage, we assemble a project team and plan the entire project schedule. A project team generally comprises a project adviser, a project manager, technical and functional consultants, quality control personnel as well as technical support and maintenance personnel. The project team will be responsible for all aspects of the project from consulting and implementation to delivery. Depending on the requirements of our projects and / or constraint of resources, we may outsource some specialised implementation works to other third party IT companies. A detailed project schedule stating the milestones to be achieved along the project timeline will also be outlined to ensure timely delivery.

(ii) User requirement study

Our consultants will gather information to understand the organisation's HR practices including their organisational dynamics, HR workflow processes, HR policies such as overtime wage rates, leave entitlement, claim limits, Key Performance Index and benefit entitlement, as well as the overall operational processes to determine if there are any linkages and configuration needed between our HCM solution and other business operations software such as software for finance, administration, production, sales and procurement. We will also identify any problems and / or potential areas for improvement according to the latest HR trends and methodologies, as well as evaluate the compliance of the systems to local employment laws. The information gathered will form the user requirement study which will be used for the design and customisation of HCM solutions.

For our provision of student management solutions, similar user requirement study will be carried out before designing the solutions, as further explained in Section 6.3.1(i) of this Prospectus.

(iii) Design of HCM and student management solution

After obtaining all the information needed, we will proceed to the design of the HCM or student management solution which includes the design and re-design of the organisation's HR workflow process or the educational institution's student management workflow process. We will outline an enhanced workflow process which may include automations to enhance the efficiency of their HR or student management functions. We will also consider the present HR or student management trends and methodologies as well as the local employment laws, where applicable, while designing the HCM or student management solution for the customer. Thereafter, we will present our proposal to the customer for discussions and confirmation to finalise all the details of the HCM or student management solution required.

6. BUSINESS OVERVIEW (CONT'D)

(iv) Customisation and configuration of HCM or student management solution

Once all the details of the HCM or student management solution are approved by our customer, we will proceed to customise the solution according to the requirements of the project, which includes incorporating the modules needed into one platform, linking the modules, designing user interface and configuring the solution with other business operations software used by the customer, where applicable, on a test environment.

(v) System testing

Upon the completion of the development of HCM or student management solution, our consultants will perform checks on the system to ensure it meets the specifications stipulated in the agreement. Further, penetration tests will also be performed to ensure proper security measures are in place.

(vi) User acceptance testing

Thereafter, we conduct user acceptance testing with the presence of the representatives of the customer. The organisation's HR data or the educational institution's student data will be imported into the system and all the functions within our HCM or student management solution will be tested to ensure they perform correctly as per the requirements before the solution is deployed into use.

Once the user acceptance test is completed, it will be signed off by us and a representative from our customer.

(vii) Deployment of HCM or student management solution and handover

Following which, the HCM or student management solution will go live, where we will deploy the solution to the production environment and hand it over to the organisation or educational institution.

The deployment process may be executed by stages over a period of time depending to the availability and readiness of the system of the organisation or educational institution to avoid major technical issues and disruption to business operations. In addition, as some of our customers and the organisations or educational institutions may take a longer time during the processes of tender as well as reviewing and confirmation of vendors, and due to the difference in the implementation timeline for each project, there is no fixed duration between the invitation to tender/quote or referral from third party and the deployment of solutions. Based on our experience since business inception, the implementation duration for a project generally ranges from 3 months to 24 months.

Delivery**(i) User training**

We will conduct user training to train the users on the functions of our HCM or student management solution.

(ii) Technical support and maintenance

For projects awarded directly by end-users (i.e. organisations or educational institutions), once our HCM or student management solution is deployed, we provide a complementary technical support and maintenance services of up to 1 year to ensure smooth transition and on-boarding process of the users. Upon the expiry of the free technical support and maintenance services, our customers may engage us for continuing technical support and maintenance services through an AMS agreement or request for ad-hoc technical support and maintenance services by man-hours as and when needed.

6. BUSINESS OVERVIEW (CONT'D)

As we are involved in the handling and storage of customers' data, our Group adopts the following practices to avoid unauthorised access to our systems and / or our customers' data, thereby minimising the risk of potential security breaches.

Practice	Description
Strengthening hardware security	- All the devices (i.e. desktop computers and laptops) used by our employees for work purposes are password-protected and are installed with antivirus software.
Restriction of access to third party cloud platform	- We store Feet's subscribers' personal information, and our customised applications for Lark on a third party cloud platform. - This third party cloud platform can only be accessed by certain employees permitted by our key senior management.
Secure Sockets Layer ("SSL") certificate	- We also incorporate SSL in our own developed software and systems including Feet's and customised applications for Lark to safeguard the data transmission within these applications. - SSL is a technology involving digital certificates to verify the identities of accessers, thereby securing the data transmitted within Feet's and customised applications for Lark.

6.8 TECHNOLOGY USED

Our Group uses, and will continue to use, the following third party HCM and student management software for the provision of HCM and student management solutions to our customers; as well as resells a third party collaboration platform and a third party enterprise unified communications platform to our customers under our HCM technology applications business:

Software	Software vendor
<u>Provision of HCM and student management solutions</u>	
• Oracle Cloud HCM	Oracle Corp
• Oracle PeopleSoft HCM	Oracle Corp
• Oracle Taleo Talent Acquisition	Oracle Corp
• Oracle PeopleSoft Campus Solutions	Oracle Corp
• Sage EasyPay	Sage
<u>Provision of HCM technology applications</u>	
• Lark	Lark Technologies Pte Ltd
• Zoom	Zoom Video Communications, Inc

Save for Lark, our Group does not require licences for any other software disclosed in the table above as we do not use these software internally in our business operations, while our Group's rights to resell these software licences as part of our HCM and student management solutions business and HCM technology application business are stipulated under various agreements with the respective software vendors.

Apart from providing Lark as part of our offerings under HCM technology applications, we also use Lark internally as a collaboration platform among our employees. As such, our Group has licences to use Lark in our business operations on an annual subscription basis. Additionally, as part of our HCM and student management solutions business, we also provide off-site technical support services to customers from our centralised support centre based at our headquarters in Malaysia. We use an online ticketing system, namely Bitrix24 to enable the users to report the problems faced. Our Group has a licence to use Bitrix24 in our business operations on an annual subscription basis.

6. BUSINESS OVERVIEW (CONT'D)

The following sets out the details of Lark and Bitrix24:

Software	Description
Lark	<ul style="list-style-type: none"> - We use Lark as a collaboration platform among our employees. - The communication functions help to facilitate effective communications between our employees by allowing real time interaction between our employees from any location. - The work-related functions such as document creation and editing as well as cloud storage and file sharing create a virtual office for our employees from different locations to work seamlessly. - Please refer to Section 6.3.3(ii) of this Prospectus for further details of Lark.
Bitrix24	<ul style="list-style-type: none"> - We use Bitrix24 as our tracking and ticketing system for our customers to report any technical issues faced with their HCM or student management solutions, and for us to keep track of and monitor the technical issues reported by our customers. - Our customers are given access to this tracking and ticketing system to report any technical issues faced by them. Thereafter, the system automatically routes the tickets to our technical support manager, and the manager will then evaluate the issues and assign to the respective team members for further actions. - We are able to monitor and record the status and details of each ticket within the system.

Notwithstanding that the usage of Lark is material to our Group, our Group believes that we will not face difficulties in licence renewals as we are a reseller of Lark. Further, notwithstanding that the usage of Bitrix24 is also material to our Group to carry out technical support and maintenance services, similar software are widely available in the market and hence, our Group has the option to substitute with other similar software in the event of unsuccessful renewal of licence with Bitrix24.

We also developed an employee engagement mobile application, Feet's, which aims to improve employee retention and engagement as well as allow employers to understand their employees better. We used R & Python programming tools for in the development of Feet's. The R & Python programming tools are programming languages hence we do not require licences to use the programming languages for the development of Feet's. The following sets out the details of R & Python programming:

Software	Description
R & Python programming	<ul style="list-style-type: none"> - R is a programming language and environment used for statistical computing and graphics; while Python is a programming language used for website development, data science software and business applications as well as system scripting, amongst others. - We use R & Python programming tool to build a data analytics tool with a set of algorithm and parameters to analyse employees' quizzes answers and behavioural data in order to measure the stress, engagement and happiness level of employees, which are indicators to employee satisfaction and loyalty. - As at the LPD, our data analytics tool is in the stage of data learning, and it is expected to produce meaningful and insightful results upon gathering sufficient data.

6.9 SALES AND MARKETING STRATEGIES

Our Group's sales and marketing team is primarily responsible for planning and executing sales and marketing activities and serving existing customers, while our pre-sales team (consists of consultants who are categorised under sales and marketing department) is responsible for attending inquiries from potential customers and preparation of proposals and demo systems, presentation to customers as well as preparation of scope of projects and quotation.

We actively engage in the following sales and marketing activities and strategies:

6. BUSINESS OVERVIEW (CONT'D)

(i) Referrals from software vendors, business associates and our employees

Owing to the nature of the industry where end-users of HCM solutions (i.e. organisations) and student management solutions (i.e. educational institutions) may approach software vendors directly for their HCM and student management solutions respectively, we may secure projects from the software vendors where we are appointed by the software vendors to provide consulting and implementation services. We have been working with Oracle Corp and its respective local representatives namely Oracle Corporation Singapore Pte Ltd ("**Oracle Singapore**"), Oracle Malaysia, Oracle Corporation (Thailand) Co., Ltd ("**Oracle Thailand**") and / or PT Oracle Indonesia ("**Oracle Indonesia**") (collectively known as "Oracle Group") since the commencement of our business to secure HCM and student management solution projects, where we are involved in the provision of consulting and implementation services while Oracle Group supplies HCM software licences to the customers.

Our track record in providing HCM and student management solutions to large organisations and educational institutions has also brought in project referrals through recommendations by business associates including our customers, software vendors and third party solution providers. Further, we are able to maintain our business relationships with our customers when we provide technical support and maintenance services after the implementation of HCM and student management solutions. This provides us with business opportunities for any further upgrades of HCM and student management solutions and / or to sell other HCM offerings, namely IT staff augmentation services and HCM technology applications to our existing customers.

In April 2020, our Group started an employee referral programme as an initiative to encourage our employees to promote Feet's and Lark in order to help our Group to continue growing our business during the COVID-19 pandemic period. In return, employees who successfully secure any subscriptions of Feet's and / or Lark will receive an incentive as referral fee. Please refer to Section 6.9(iv) of this Prospectus for other initiatives which our Group undertakes to grow our business in light of the COVID-19 pandemic.

(ii) Tenders

Our Group is registered in several tendering platforms in various countries which we have presence in. These platforms include, ePerolehan by the Government, Malaysia Digital Economy Corporation, iSupplier Portal by RHB Bank Berhad, GeBIZ by the Government of Singapore, procurement portal of Singapore University of Technology and Design and eProcurement System by National University Singapore, all of which often have tenders posted by the respective parties.

Through these tendering platforms, we are provided with access to tenders for HCM or student management solutions. We will review the tenders and participate in tenders that we are interested in and qualified for. Apart from the tendering platforms, we also participate in closed tenders when we are invited by the end-users (i.e. organisations and educational institutions) directly.

(iii) Social media

We leverage on social media platforms to increase our exposure and market our HCM offerings through Facebook, Instagram, LinkedIn and TikTok. We collaborate with an external digital marketing company to manage and regularly update our social media pages with the latest news and trends in the HR industry, our on-going promotions and offerings and our company activities. Our active online presence allows us to reach out to wider group of audience comprising end users, business associates and merchants who may be interested in our HCM offerings or collaborating with us.

6. BUSINESS OVERVIEW (CONT'D)**(iv) Special promotions**

In view of the outbreak of the COVID-19 virus, the mandatory social / physical distancing measures or lockdown imposed by the respective government in the countries which we operate in had resulted in disruption in many business operations. Many organisations are required to close their operations at their premises and have their employees to work from home during the mandatory social / physical distancing or lockdown period. In such situation, Feet's and Lark are useful for many organisations to facilitate team work, enable smooth remote communications and to track employee productivity and employee engagement remotely. As such, we introduced a COVID-19 relief program in April 2020 in Malaysia to new customers and our existing customers an exclusive promotion of 45 days complementary subscription to Feet's and Lark. Aside from helping organisations in Malaysia to temporary relieve their financial pressure to ensure the continuity of their business operations during the movement restriction periods, the COVID-19 relief program allows us to increase the exposure of Feet's and Lark, and allow the users to experience the benefits and value of using Feet's and Lark, which may eventually be converted to potential paid subscriptions at the end of the complementary subscription.

Further, as we acknowledge that organisations may not be able to maintain their HCM solutions onsite during the movement restriction periods, we also offer promotional package for our remote technical support and maintenance services for HCM solutions (specifically for Oracle PeopleSoft HCM and Oracle HCM Cloud).

(v) Exhibitions, seminars, webinar, prints and roadshows

We participate in exhibitions and seminars relating to HR. We believe that participation in these exhibitions and seminars enhances our Group's visibility as it enables us to showcase our HCM offerings and provides us with significant opportunities to meet potential customers. It also enables us to stay updated with the latest HR knowledge and HCM solutions and technology. The following are exhibitions and seminars we participated over the last 3 FYEs and up to the LPD:

Year	Name of exhibition, seminar and webinar	Event owner	Location
2018	Human Resources Development Fund ("HRDF") Conference and Exhibition	Human Resource Development Corporation ("HRD Corp") (previously known as HRDF)	Kuala Lumpur, Malaysia
2019	FMM Business Best Practices Seminar on "HR – Building and Sustaining a Digital Workforce"	Federation of Malaysian Manufacturers	Selangor, Malaysia
	HRDF Conference and Exhibition	HRD Corp (previously known as HRDF)	Kuala Lumpur, Malaysia
	11 th Indonesia HR Summit 2019	- Special Task Force for Upstream Oil and Gas Business Activities Republic of Indonesia (SKK Migas) - Mining Industry Indonesia (MIND ID) - ConocoPhillips (Grissik) Ltd - International Jabung Ltd - PETRONAS Carigali Indonesia	Bali, Indonesia
2020	HR CAFÉ Ngopi Online – Finding Opportunity During Crisis	- Our Group - HR CAFÉ	Online through Lark

6. BUSINESS OVERVIEW (CONT'D)

Further, we also organised a launching event to officially launch Feet's in Malaysia in March 2019. The launching event attracted several media companies and Feet's was subsequently covered in multiple newspapers, magazines and online news portals including The Star, New Straits Time, HR Asia, Digital News Asia and Vulcan Post. In Indonesia, Feet's was launched in October 2019 and was also covered in numerous media including NexTren, Liputan6, Dailysocial.id and Tribunnews. We also organise roadshows in some large organisations to promote Feet's. The organisations in which we organised roadshows since the launching of Feet's include:

Year	Organisation	Location
2019	Axiata Group Berhad	Axiata Tower, Kuala Lumpur
	Top Glove Corporation Bhd	Top Glove Tower, Setia Alam, Selangor

(vi) Corporate website

We have established our corporate website at www.ramssolgroup.com which provides information on our Group and our offerings. We have also established a website specifically for our HCM solutions at www.ramssol.com and Feet's at www.feets.me. Any parties who are interested in our offerings are able to contact us and our sales and marketing team will attend to the inquiries accordingly. The current widespread use of the internet as a source of information enables us to cross geographical boundaries and facilitates access from any part of the world, enhancing our potential market reach and exposure.

6.10 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

Our main supplies and services are software licences sourced from software vendors and subcontracted implementation services sourced from third party IT companies for our provision of HCM and student management solutions business. The amount of our purchases for supplies and services are dependent on the number, milestones and requirements of our HCM and student management solution projects in the particular year.

During the Financial Years Under Review and up to the LPD, our Group has not experienced any difficulties in sourcing for supplies and services from third party vendors, and these supplies and services are not subject to price fluctuations.

The breakdown of our purchases for supplies and services in the Financial Years Under Review is as follows:

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM '000	% of total purchases	RM '000	% of total purchases	RM '000	% of total purchases	RM '000	% of total purchases
Software licences	725	100.00	3,803	98.80	2,332	83.02	2,663	73.38
Subcontractor fees	-	-	46	1.20	477	16.98	966	26.62
Total purchases	725	100.00	3,849	100.00	2,809	100.00	3,629	100.00

6. BUSINESS OVERVIEW (CONT'D)

6.11 STANDARDS AND CERTIFICATIONS

Our Group has received the following certifications that assure our compliance with the international quality management system for the quality of our products and services, as well as with the safety, health and security standards of our workplace:

Standard	Company certified	Certification body	Date first awarded	Current validity period	Scope of certification
ISO 9001:2015	Rams Malaysia	CARE Certification International (M) Sdn Bhd	6 April 2016 ⁽¹⁾	8 May 2019 – 5 April 2022	Provision of application development, implementation and maintenance support
BizSAFE Level 3	Rams Singapore	Workplace Safety and Health Council, Singapore	8 October 2012	23 August 2018 – 22 August 2021	N/A

Note:

- (1) Rams Malaysia obtained ISO 9001:2008 certification on 6 April 2016, and subsequently renewed to ISO 9001:2015 on 24 July 2018.

As at the LPD, Rams Malaysia is registered as a training provider under HRD Corp (previously known as HRDF) which allows us to provide training to individuals. Further, our Group is registered as a member of the Singapore Human Resource Institute which allows us to expand our presence through various networking events held by Singapore Human Resource Institute.

As at the LPD, our Group has a total of 9 in-house consultants who are certified by Oracle Corp, mainly for the provision of HCM and student management solutions, as follows:

Offices	Number of certified consultants	Number of certifications obtained ⁽¹⁾
Malaysia	6	28
Singapore	2	16
Thailand	-	-
Indonesia	5	6
Vietnam	2	4

Note:

- (1) Some of our consultants have obtained more than 1 certification, hence the number of certifications obtained is more than the number of certified consultants.

All the certifications obtained by our consultants are by Oracle Corp. Examples of the certifications are Oracle Cloud HCM 2019 Sales Specialist, Oracle Global HR Cloud 2019 Sales Specialist, PeopleSoft 9.2 Human Resources Certified Implementation Specialist and PeopleSoft 9.2 HR Certified Implementation Specialist and Oracle Database 11g Administrator Certified Professional. While it is not a requirement from our customers to have all the consultants involved in their projects to be certified by Oracle Corp in order to carry out consulting and implementation works, it is a prerequisite specified by Oracle Corp to have at least 2 consultants within our Group to be certified by them in order to maintain our partnerships with Oracle Corp as an OPN member.

As our Group encourages and sponsors our consultants to undertake the examinations for Oracle Corp's certifications, in order to retain these consultants, we have outlined an employee retention policy involving employment bonds for consultants whom we sponsor for examinations for durations ranging from 3 months to 6 months upon obtaining the certifications from Oracle Corp.

6. BUSINESS OVERVIEW (CONT'D)**6.12 OPERATING CAPACITIES AND OUTPUTS**

As a HCM solution and technology specialist providing HCM and student management solutions, IT staff augmentation services and HCM technology applications, the calculations of operating capacities and output are not applicable to us.

6.13 R&D

We recognise the importance of continuous improvement in our offerings to ensure our competitiveness in the HCM solutions industry as well as employee engagement platforms and collaboration platforms market, in order to sustain the continuous growth of our business. Our R&D team is catered to the enhancement and/or development of our HCM offerings.

Our R&D team primarily focuses on the development and enhancement of Feet's. In addition to our designated R&D team, some of our consultants are also involved in R&D activities that are not related to Feet's. All personnel involved in R&D activities continuously explores and keeps abreast of the latest technology and / or software used in the HR industry, and ensures adoption of these technology and / or software in our HCM offerings, where applicable. This is to ensure the relevance of our HCM offerings to meet the latest demand for HCM solutions and technology from organisations. For instance, our consultants are involved in the development of customised applications to be integrated into Lark to enhance our customers' user experience or operational processes, upon request.

As a result of our R&D efforts, we successfully developed and launched an employee engagement mobile application, Feet's in Malaysia and Indonesia in March 2019 and October 2019 respectively. Our historical R&D achievements as well as on-going and future R&D projects are summarised as follows:

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
<u>Historical R&D achievements</u>			
Development of Feet's	<ul style="list-style-type: none"> - An employee engagement mobile application developed in-house in collaboration with a professor of UMCH Technology Sdn Bhd. - It aims to improve employee retention and engagement as well as allow employers to understand their employees better. - Please refer to Section 6.3.3(i) of this Prospectus for further details of Feet's. 	2017	2019
<u>On-going R&D projects</u>			
Integration between Bitrix24 and Lark	- As Lark is our Group's primary collaboration tool used by our employees to carry out daily work tasks, we intend to integrate our off-site support function for our HCM and student management solutions business, which currently runs on a third party platform (i.e. Bitrix24), to Lark.	2020	2021 ⁽¹⁾

6. BUSINESS OVERVIEW (CONT'D)

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
	<ul style="list-style-type: none"> - This is aimed to streamline and standardise the software platforms used by our employees into a single platform. - Our off-site support function for HCM and student management business on Bitrix24 will be integrated into Lark through Alibaba Cloud services. 		
Enhancement of Feet's with the incorporation of predictive analytics	<ul style="list-style-type: none"> - A more advanced data analytics tool which analyses the input data generated from users' behaviour on Feet's, and automates the prediction for better decision making using a set of pre-set algorithm and parameters. - It will be able to predict any potential resignations based on the results of stress, engagement and happiness levels of employees. - It will also be able to provide suggestions to improve the engagement and happiness of employees as well as reduce the stress of employees. 	2019	2021
Development of customised applications for Lark	<ul style="list-style-type: none"> - Apart from offering the subscriptions of Lark, we can also develop customised applications to be integrated into Lark to enhance our customers' user experience or operational processes. - The customised applications are developed on a platform which is not related to Lark, and further integrated into Lark on Lark's integrated development environment. Thereafter, users can access these customised applications through Lark. - The customised applications developed will be owned by our Group and can be sold and integrated to our customers' Lark platform. These customised applications can also be re-used or integrated to other platforms, software or solutions in the future with some modification works. - Examples of customised applications which are currently being developed include claim management, student records management, class scheduling and dictionary. 	2020	2021

6. BUSINESS OVERVIEW (CONT'D)

Achievement / project	Description	Actual / target commencement year	Actual / target completion year
<u>Future R&D projects</u>			
Enhancement of Feet's with the incorporation of AI technology	<ul style="list-style-type: none"> - The AI technology containing machine learning capabilities and predictive data analytics is able to structure algorithms in layers to create "artificial neural network" that can learn and make intelligent decisions on its own. - It will automatically learn and study the input data generated from users' behaviour on Feet's and provide impactful insights for employers to improve employee engagement and to retain valuable talents. - AI technology can also offer predictive insights into employees' behavioural patterns such as an employee's tendency to quit; or providing insights for organisations to develop personalised training programs for individual employees based on their personalities and needs, hence improving employee engagement and helping the employers to retain valuable talents. 	Immediate upon Listing	2 years upon commencement
Development of bolt-on modules for cloud-based HCM solutions	<ul style="list-style-type: none"> - Additional modules to be added into the default core systems developed by software vendors. - A cost effective way which enables customers to have extra customisation on their HCM solutions by including additional or supplementary functions to the default core systems. 	Immediate upon Listing	2 years upon commencement

Note:

(1) *As at the LPD, the integration between Bitrix24 and Lark is currently in the second phase of internal testing.*

In the Financial Years Under Review, the expenses incurred for our R&D activities were for the development and enhancement of Feet's which commenced in 2017 and 2019 respectively; as well as integration between Bitrix24 and Lark and development of customised applications for Lark which both commenced in 2020, comprising mainly staff costs amounting to RM0.89 million, RM0.54 million, RM0.25 million and RM1.13 million, respectively.

6.14 SEASONALITY AND CYCLICALITY

Generally, there are no significant seasonality or cyclical patterns in the revenue of our Group during the past financial years.

6. BUSINESS OVERVIEW (CONT'D)

6.15 INTERRUPTIONS TO THE BUSINESS AND OPERATIONS**(i) Impact on our business operations**

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation.

In Malaysia, the Government announced the MCO, effective 18 March 2020 to 3 May 2020, which had caused the closure of all government and private premises except those involved in essential services, unless written permission is obtained from Ministry of International Trade and Industry. Subsequently, a CMCO was imposed between 4 May 2020 and 9 June 2020, and a RMCO was imposed between 10 June 2020 and 31 August 2020 and subsequently extended to 31 March 2021. These subsequent easing of control measures have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. However, due to a resurgence in COVID-19 cases in Malaysia, the Government had re-imposed the CMCO and MCO in certain states and federal territories in Malaysia for different durations since October 2020 until 11 May 2021. Beginning 12 May 2021 to 31 May 2021, the Government re-imposed the MCO nationwide (except for Sabah, Sarawak and Labuan which the restrictions were decided by the respective state / federal governments) which allowed all economic sectors to continue but prohibited or placed restrictions on social activities. Based on latest available information, from 1 June 2021 to 28 June 2021, Malaysia is placed under phase 1 of total lockdown which prohibited all economic activities except those involved in essential services or permitted by the Government. Selangor, in which our headquarters is located at, was subject to the re-imposed CMCO from 14 October 2020 to 12 January 2021, re-imposed MCO from 13 January 2021 to 4 March 2021, re-imposed CMCO from 5 March 2021 to 5 May 2021, re-imposed MCO from 6 May 2021 to 31 May 2021, and phase 1 of total lockdown from 1 June 2021 to 28 June 2021.

In Singapore, the Government of Singapore announced the Circuit Breaker, effective 22 April 2020 to 1 June 2020, which had caused the closure of all government and private premises except those involved in essential services. Subsequently, Phase 1: Safe Re-opening was imposed between 2 June 2020 and 18 June 2020, Phase 2: Safe Transition was imposed between 19 June 2020 and 27 December 2020, and Phase 3: Safe Nation was imposed beginning 28 December 2020. These subsequent easing of control measures have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures, while businesses that are not included within the list of permitted services may apply for approval to operate from the Ministry of Trade and Industry Singapore.

In Thailand, the Government of Thailand had also declared an Emergency Situation involving nationwide curfews and travel bans, as well as control measures for businesses to observe, effective from 26 March 2020 to 31 July 2021. Businesses that were allowed to operate were required to adhere to a set of strict standard operating procedures. Several rounds of easing measures were announced between 1 May 2020 and up until the LPD, whereby there have been several relaxation of prohibitions or limitations on conducting or carrying out certain activities.

In Indonesia, the Government of Indonesia had on 2 April 2020 declared a '**Pembatasan Sosial Berskala Besar (PSBB)**' whereby governors of the respective provinces are required to apply with the Ministry of Health Republic of Indonesia to implement the PSBB in their provinces. Provinces that had received approval to implement the PSBB had ordered for the closure of all private premises except for those involved in essential services. Provincial governors, gauging the improvement on COVID-19 containment, may subsequently announce for the relaxation of control measures for their respective provinces. To better control the COVID-19 situation in Indonesia, the Government of Indonesia has implemented a '**Pemberlakuan Pembatasan Kegiatan Masyarakat (PPKM)**' in certain regions in Java and Bali effective from 11 January 2021 to 8 February 2021. The PPKM is aimed to be

6. BUSINESS OVERVIEW (CONT'D)

implemented in targeted regions that meet certain criterias set out by the Government of Indonesia. Unlike the PSBB which involves large-scale social restrictions, PPKM is implemented at targeted regions within a province to limit mobility within the region. Subsequently, to manage the COVID-19 situation more effectively, the Government of Indonesia has implemented PPKM at a micro scale (“**PPKM Mikro**”) from 9 February 2021 to 28 June 2021. PPKM Mikro focuses on improving community discipline and law enforcement at a smaller scale, such as establishing guard posts in villages and sub-districts to handle COVID-19 situations in the respective villages and sub-districts.

In Vietnam, the Government of Vietnam imposed a nationwide social isolation or lockdown effective 1 April 2020 to 15 April 2020, which required for a strict nationwide isolation for 15 days, had caused the closure of all government and private premises except those involved in essential services. The nationwide social isolation or lockdown was further extended to 22 April 2020 in 12 provinces. Following that, the Government of Vietnam had on 24 April 2020 issued a guideline on nationwide control measures which have allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. Further, depending on the severity of COVID-19 situation in each city, there were some smaller scale of lockdown measures being imposed in certain cities which prohibited some non-essential services.

In view of the lockdown and / or social / physical distancing measures imposed in the respective countries, the business operations of our Group and the majority of our customers were affected as the lockdown and / or social / physical distancing measures imposed had prohibited our consultants from continuing the implementation works for our HCM and student management solution projects at our customers’ premises. While our consultants continued to work from home to ensure the continuation of project implementation, certain parts of our work were restricted such as physical sighting of confidential documents are unable to be carried out, and there were also delays in extraction of information required from our customers due to unstable connection to some customers’ virtual private network, which had caused slight delays to our project delivery schedule. As our revenue from the delivery of services is recognised upon issuance of invoices based on project delivery milestones, the spillover effect from the delayed completion of project delivery milestone will subsequently affect our billing schedule from the second quarter of 2020 onwards for our HCM and student management solution projects secured prior to the outbreak of the COVID-19 virus.

Nevertheless, the provision of our technical support and maintenance services was not affected as our services can be provided off-site whereby our consultants continued to work from home to provide technical support and maintenance services to our customers.

Our IT staff augmentation business was also affected by the COVID-19 pandemic, as the economic impact of the COVID-19 pandemic have adversely affected the financial positions of many organisations which resulted in tighter budgets. As a result, organisations temporarily delay or abort their ad-hoc IT projects, thus affecting the demand for our IT staff augmentation services. Nevertheless, we have not received any request for termination, deferment or change in contract terms for our existing IT staff augmentation contracts.

In view of the COVID-19 pandemic, it had also affected our sales and marketing activities for HCM technology applications, namely Feet’s, Lark and Zoom, in the countries where we provide such offerings. As a result of the lockdown and / or social / physical distancing measures, we are unable to carry out physical sales and marketing activities such as organising roadshows, and attending exhibitions and seminars to market Feet’s, Lark and Zoom; as well as to secure brand partners for Feet’s. This has affected our business opportunities in capturing the demand for these HCM technology applications. Notwithstanding that, our sales and marketing team continues to actively market these HCM technology applications through online channels such as social

6. BUSINESS OVERVIEW (CONT'D)

media platforms comprising Facebook, Instagram, LinkedIn and TikTok, to expand our market presence during the period of social / physical distancing measures. Please refer to Section 6.9 of this Prospectus for further details on our sales and marketing strategies.

- **Malaysia operations**

Pursuant to the imposition of the MCO, our office in Malaysia was closed between 18 March 2020 and 5 May 2020. During the period of office closure, all our employees continued to work from home. Following the imposition of the CMCO, our employees resumed work at our office starting from 6 May 2020 on a rotation basis. Since 14 October 2020 and up to the LPD, there were several rounds of office closure and reopening, depending on the degrees of movement restrictions and standard operating procedures imposed. Our employees have continued to work from home during the periods where our office is closed. In the event that certain employees are required at the office (e.g. retrieval of physical documents), the employees are required to obtain approval from our management team before entering our office. As at the LPD, our office is closed and our employees work from home. Pursuant to the imposition of phase 1 of total lockdown between 1 June 2021 and 28 June 2021, we received approval letter from the Government on 1 June 2021 which allows us to operate. While our office remains closed and our employees work from home during this period, the approval from the Government allows our employees to work at our office when required. As we are allowed to operate during the total lockdown period, we do not anticipate any disruptions to our business operations, financial performance and implementation of our business strategies and future plans in Malaysia.

Prior to the MCO, our Group has 1 on-going HCM solution project in Malaysia. In view of the MCO, the progress of the HCM solution project was affected as our consultants were prohibited from carrying out implementation works at the customer's premise. Following the implementation of the CMCO, our consultants were allowed to return to the customer's premise to continue with project implementation. Nevertheless, while the progress of the HCM solution project has been slightly affected during the MCO, we manage to catch up with the timeline and we do not expect delays to our project delivery schedule and impact on our billing schedule. Up until the LPD, we have not received any request for termination, deferment, change in contract terms or claim for any liquidated damages from our customer for our HCM solutions project in Malaysia. Further, there has been no impact to our operations in Malaysia arising from the re-imposition of the CMCO and MCO as well as phase 1 of total lockdown since October 2020 until the LPD.

Prior to the MCO, our Group has 4 on-going technical support and maintenance contracts in Malaysia. Our technical support and maintenance services in Malaysia were not affected by the MCO and other measures imposed by the Government including the re-imposed CMCO and MCO as well as phase 1 of total lockdown since October 2020 until the LPD. As such, our revenue from this business segment was not affected.

For our IT staff augmentation services, since the imposition of the MCO in March 2020 and up to the LPD, we have not received any request for termination, deferment or change in contract terms for our existing IT staff augmentation contracts in Malaysia. Nonetheless, we have completed 2 service contracts in the second quarter of 2020. As such, our revenue from this business segment was not affected.

6. BUSINESS OVERVIEW (CONT'D)

For our offerings of Feet's, Lark and Zoom in Malaysia, we are unable to carry out physical sales and marketing activities for Feet's, Lark and Zoom, as well as to secure brand partners for Feet's as a result of the lockdown and physical distancing measures since the imposition of the MCO in March 2020 and up to the LPD. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we did not face significant interruptions to the operations of our HCM technology applications business.

- **Singapore operations**

Pursuant to the imposition of the Circuit Breaker, our office in Singapore was closed since 7 April 2020. During the period of office closure, all our employees continue to work from home. As at the LPD, our Singapore office has not opened but our employees who are required to be present at our customers' premises have resumed work based on our customers' office policy.

Prior to the Circuit Breaker, our Group had not entered into any HCM solution project as well as any IT staff augmentation services contract with customers in Singapore.

Prior to the Circuit Breaker, our Group has 3 on-going technical support and maintenance contracts in Singapore. Our technical support and maintenance services in Singapore were not affected by the Circuit Breaker. Nevertheless, out of these 3 on-going contracts, 1 customer has requested to restructure their outstanding payment for a technical and support maintenance contract completed in April 2020 to a 6-month repayment until December 2020 due to the COVID-19 pandemic. Pursuant to further negotiation by the said customer, the period for repayment has been extended to March 2021 and we collected all the outstanding payment by March 2021. However, our revenue recognition from this business segment in FYE 2020 will not be affected. Save for the delay in collection of receivables from this customer that has resulted in minimal financial impact for the FYE 2020, there is no other financial impact arising from this request of payment extension.

For our offerings of Zoom in Singapore, we do not actively carry out sales and marketing activities as at the LPD. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's and Lark in Singapore.

- **Thailand operations**

Pursuant to the declaration of Emergency Situation in Thailand, our office in Thailand was closed between 26 March 2020 and 31 May 2020. During the period of office closure, all our employees continued to work from home. However, employees who are required to be present at our customers' premises have resumed work based on our customers' office policy. Following the announcement of easing measures, our employees resumed work at our office starting from 1 June 2020 to 31 December 2020. Due to the resurgence of COVID-19 cases in Thailand, all our employees in Thailand have been working from home since 4 January 2021 until further notice.

Prior to the Emergency Situation, our Group has 4 on-going HCM solution projects in Thailand. In view of the Emergency Situation, our customers in Thailand had undertaken voluntary measures to close their business operations or to reduce their workforce capacity in a bid to curb the spread of the COVID-19 virus. As a result, the progress of our HCM solution projects were affected as our consultants were prohibited from carrying out implementation works at our

6. BUSINESS OVERVIEW (CONT'D)

customers' premises. Following the announcement of easing measures, our consultants were allowed to return to our customers' premises to continue with project implementation. Nevertheless, while the progress of the 4 projects has been slightly affected, we manage to catch up with the timeline and we do not expect delays to the delivery schedule and impact on our billing schedule. Up until the LPD, we have not received any request for termination, deferment, change in contract terms or claim for any liquidated damages from our customers for our HCM solution projects in Thailand as a result of the COVID-19 pandemic.

Prior to the Emergency Situation, our Group has not entered into any technical support and maintenance services contract, as well as IT staff augmentation services contract with customers in Thailand.

For our offerings of Lark and Zoom in Thailand, we are unable to carry out physical sales and marketing activities as a result of the lockdown and social distancing measures. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's in Thailand.

- Indonesia operations

Pursuant to the announcement of the PSBB, our office in Indonesia was closed between 28 July 2020 and 26 August 2020. During the period of office closure, all our employees continued to work from home. Following which, our employees resumed work at our office starting from 27 August 2020 on a rotation basis. However, in view of the implementation of PPKM in Jakarta between 11 January 2021 and 8 February 2021, our office in Indonesia was closed and all our employees worked from home, except for certain employees who are required at the office on certain days. Further, following the implementation of PPKM Mikro from 9 February 2021 to 28 June 2021, all our employees have continued to work from home except for managerial employees and employees for finance and administrative functions.

Prior to the PSBB, our Group has 1 on-going HCM solution project in Indonesia. In view of the PSBB, the progress of the project was affected as our consultants were prohibited from carrying out implementation works at the customer's premise. Further, due to unstable internet connection, our consultants in Indonesia were not able to connect to the customer's virtual private network and as a result, our consultants were not able to continue with the implementation works off-site during the PSBB. Hence, we have entered into an agreement with the customer in Indonesia for the deferment of implementation works, for a period of 2 months. This deferment had relieved our Group from liquidated damages claims from the customer that would be resulted from delayed completion in implementation works. Nevertheless, as we billed this customer the full amount of project value at the project commencement and due to the completion of the project, this customer has fulfilled the payment accordingly. Thus, our revenue recognition for this project was not affected by the 2-month deferment. Further, in April 2021, we also experienced a slight delay in user acceptance testing for a project in Indonesia due to the COVID-19 pandemic, thereby affecting the sign-off and estimated completion date of the project for approximately 2 months to June 2021. Although this has slightly affected our billing schedule, it is not expected to significantly affect our financial performance for FYE 2021 as the customer sign-off is expected to be received by June 2021.

Prior to the PSBB, our Group has not entered into any technical support and maintenance services contract, as well as IT staff augmentation services contract with customers in Indonesia.

6. BUSINESS OVERVIEW (CONT'D)

For our offerings of Feet's, Lark and Zoom in Indonesia, we are unable to carry out physical sales and marketing activities for Feet's, Lark and Zoom, as well as to secure brand partners for Feet's as a result of the lockdown and social distancing measures. Notwithstanding that, we have continued to engage in sales and marketing activities through online channels such as social media platforms. As such, we do not face significant interruptions to the operations of our HCM technology applications business.

- **Vietnam operations**

Our employee in Vietnam has been working from home and hence, the nationwide social isolation or lockdown imposed by the Government of Vietnam does not affect our operations in Vietnam.

Prior to the nationwide social isolation or lockdown, our Group had not entered into any HCM solution project as well as technical support and maintenance services contract. We do not offer IT staff augmentation services in Vietnam.

For our offerings of Lark and Zoom in Vietnam, we do not actively carry out sales and marketing activities as at the LPD. As such, we do not face significant interruptions to the operations of our HCM technology applications business. We do not offer Feet's in Vietnam.

(ii) **Impact on our business cash flows, liquidity, financial position and financial performance**

The interruption to our business operations in the respective countries, as a result of the COVID-19 pandemic, had affected the project delivery schedules for some of our on-going HCM solution projects that were secured prior the outbreak. Nevertheless, the delays in project delivery schedules were not major as we managed to catch up with most of the timelines. As such, our billing schedules were not materially affected and our financial performance in the FYE 2020 was not affected. Nevertheless, there is no assurance that a prolonged COVID-19 pandemic and its effects will not adversely affect our operations and financial performance.

As at the LPD, we have:

- (i) cash and bank balances of approximately RM3.40 million; and
- (ii) bank borrowings (excluding lease liabilities recognised under MFRS 16) up to a limit of RM4.51 million, of which RM3.76 million has been utilised. The remaining RM0.75 million of unutilised bank borrowings consist of two bank overdrafts.

Our Board is confident that, after taking into account our gearing and cash flow position, banking facilities currently available to our Group as well as our future plans set out in Section 6.6 of this Prospectus, our working capital will be sufficient for the existing and foreseeable requirements for a period of 12 months from the date of this Prospectus.

We did not receive any claw back or reduction in the banking facilities limit granted to us by our lenders. In addition, we do not anticipate any financial difficulties in meeting our debt obligations in the foreseeable future. We do not expect any material impairment to our assets, inventories or receivables.

Based on the above, we do not expect any material impact to our cash flows, liquidity, financial position and financial performance.

6. BUSINESS OVERVIEW (CONT'D)

(iii) Impact to our business and earning prospect

The operations of our business has resumed after subsequent easing of control measures that allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures which enable us to catch up on the timeline of our projects. The economic impact of the COVID-19 pandemic may have affected the financial positions of many organisations. Organisations may be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends.

This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for our HCM solutions. Notwithstanding that, our Group does not expect material adverse impact on the demand for our technical support and maintenance services.

The economic impact of the COVID-19 pandemic may also result in organisations delaying or aborting non-essential ad-hoc IT projects. As such, this may affect the demand for our IT staff augmentation services. In the event that our existing customers decide to terminate our IT staff augmentation contract, it will adversely affect our financial performance as our Group is unable to recognise the full contract value.

In addition, our business expansion plan into the Philippines may be delayed if the situation of the COVID-19 pandemic, especially in Southeast Asia is not fully subsided and if the travel restriction persists upon our Listing. Our Group expects that there may be a slower process for setting up the office in Manila, difficulties in recruiting and training staffs as well as difficulties in carrying out marketing activities to promote our offerings.

According to the IMR Report, employee engagement platforms and collaboration platforms have become increasingly important as they enable businesses to continue their operations with employees working from home through such platforms. This has led to a change in the way people work as well as organisations' acceptance of the importance of employee engagement platforms and collaboration platforms for effective remote communication and collaboration. As such, our Group expects increased demand for Feet's, Lark and Zoom going forward.

Our Group's ability to secure orders during the COVID-19 pandemic may be affected as potential customers with projects of considerable value prefer physical interaction with our representatives. Despite the negative impact on our Group from the COVID-19 pandemic, we have managed to secure new subscriptions for Lark in Malaysia since the imposition of the MCO in March 2020 up to the LPD.

6. BUSINESS OVERVIEW (CONT'D)**(iv) Strategy and steps taken to address the impact of COVID-19**

In response to the COVID-19 pandemic, our Group has established an infection control committee in our headquarters in Malaysia, to oversee the adherence of infection control measures in accordance to the guidelines and standard operating procedures on COVID-19 prevention in all subsidiaries. The infection control measures include amongst others:

- Wearing of face masks in work places;
- Daily taking and recording of body temperature before entering the work places;
- Sanitising hands before entering work places and all employees are encouraged to sanitise and wash their hands with soap and water frequently throughout the day;
- Sanitising all common areas of work places 3 times a day (i.e. before commencement of work, after lunch and after close of business);
- Practising 1 metre physical distancing at work places; and
- Avoidance of unnecessary travels and face-to-face meetings, where possible.

Notwithstanding the above, our Group has put in place a business contingency plan in the event of any infection cases at our business premise, which is summarised as follows:

(i) Employee relief plan

Each employee has been assigned with a relief person for their tasks. Both personnel in-charge are not allowed to make any external appointments or business trips together to mitigate the risk of infection.

(ii) Employee rotational program

To mitigate the risk of infection, when each of our offices was first re-opened, all employees have been segregated into various teams and each team has specified days to report to work at office or to work from home. In the event that any of our employees are infected with the COVID-19 virus, the particular team members of the infected employee(s) will be quarantined while the other teams will be able to work as usual to maintain business continuity.

Save for the interruption to business operations as a result of the COVID-19 pandemic, our Group has not experienced any other interruptions in our operations which had a significant impact on our operations during the past 12 months preceding the LPD.

6. BUSINESS OVERVIEW (CONT'D)**6.16 MAJOR CUSTOMERS**

Our Group's top 5 major customers for the Financial Years Under Review are as follows:

FYE 2017:

Major customer	Revenue contribution		Offerings ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
CapitaLand Limited ⁽³⁾	2,108	30.96	(a)	Singapore	9
RHB Bank Berhad	1,021	14.99	(a)	Malaysia	6
CapitaLand Singapore BP&C Pte Ltd ⁽³⁾	887	13.02	(a)	Singapore	6
National University of Singapore	361	5.30	(a)	Singapore	6
Paramount Corporation Berhad	315	4.63	(a)	Malaysia	5
Sub-total	4,692	68.90			
Total	6,808	100.00			

FYE 2018:

Major customer	Revenue contribution		Offerings ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
P.R. Recruitment and Business Management Co Ltd	3,436	27.43	(a)	Thailand	3
RHB Bank Berhad	2,017	16.10	(a)	Malaysia	6
CapitaLand Business Services Pte Ltd ⁽³⁾	1,158	9.25	(a)	Singapore	3
CapitaLand Limited ⁽³⁾	996	7.96	(a)	Singapore	9
ThaiFoods Group Public Company Limited	896	7.16	(a)	Thailand	4
Sub-total	8,503	67.90			
Total	12,523	100.00			

FYE 2019:

Major customer	Revenue contribution		Offerings ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
CapitaLand Business Services Pte Ltd ⁽³⁾	2,359	15.28	(a)	Singapore	3
Company D ⁽⁴⁾	2,025	13.12	(a)	Malaysia	3
Export Import Bank of Thailand	1,615	10.46	(a)	Thailand	2
CV Surya Mandiri	1,300	8.42	(a)	Indonesia	3
Company A ⁽⁵⁾	1,255	8.13	(a) and (b)	Malaysia	7
Sub-total	8,554	55.41			
Total	15,439	100.00			

6. BUSINESS OVERVIEW (CONT'D)**FYE 2020:**

Major customer	Revenue contribution		Offerings ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
Megatech	9,029	35.64	(c)	Malaysia	1
Export Import Bank of Thailand	3,766	14.87	(a)	Thailand	2
CapitaLand Business Services Pte Ltd ⁽³⁾	2,093	8.26	(a)	Singapore	3
Bank Of Ayudhya Public Co., Ltd	1,622	6.40	(a)	Thailand	2
PT Sigma Solusi Integrasi ⁽⁶⁾	1,174	4.63	(a)	Indonesia	1
Sub-total	17,684	69.80			
Total	25,331	100.00			

Notes:

- (1) *Category of products and/or services sold:*
- (a) *HCM or student management solutions*
 - (b) *IT staff augmentation services*
 - (c) *HCM technology applications*
- (2) *Length of business relationship with our major customers is calculated based on the commencement date of our first project/ business transaction with these customers up to the LPD.*
- (3) *Companies under the CapitaLand group of companies. CapitaLand Singapore BP&C Pte Ltd is one of the largest unitholders of Ascendas Real Estate Investment Trust, whereby CapitaLand Limited has an equity stake of 18.00% in Ascendas Real Estate Investment Trust as at 31 December 2020. CapitaLand Business Services Pte Ltd is a wholly-owned subsidiary of CapitaLand Limited.*
- (4) *Company D is a local engineering conglomerate that is principally involved in engineering and construction, township and property development, expressways and asset facilities management. Its headquarters is in Malaysia with presence in various countries such as Singapore, Australia, New Zealand, United Kingdom and the Middle East. Company D is a wholly-owned subsidiary of a sovereign wealth fund of the Government. There is a confidentiality clause in the agreement entered into between Rams Malaysia and Company D which restricts Rams Malaysia from disclosing the terms of the agreement. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company D as well as the financial information of Company D pursuant to the IPO but the consent for disclosure was refused. As such, the name of Company D is not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company D.*
- (5) *Company A is a subsidiary of a multinational computer technology corporation with headquarters in the United States of America that is principally involved in selling database software and technology, cloud engineered systems, and enterprise software products that manages business operations and customer relations. Company A is located and operates in Malaysia. There is a confidentiality clause in the master distribution agreement entered into between Rams Malaysia and Company A which requires Rams Malaysia, amongst others, not to disclose information regarding the financial performance of Rams Malaysia specifically related to Company A's programs / services without prior consent from Company A. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company A and its related companies as well as the financial information of Company A pursuant to the IPO but the consent for disclosure was refused. As such, the name of Company A is not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company A.*

6. BUSINESS OVERVIEW (CONT'D)

- (6) *While this project was secured through PT Sigma Solusi Integrasi, the consulting and implementation services were provided to PT Telekomunikasi Selular. PT Sigma Solusi Integrasi is a subsidiary of PT Telekomunikasi Selular.*

In the Financial Years Under Review, the percentage of revenue contributed by our top 5 major customers are approximately 68.90%, 67.90%, 55.41% and 69.80% to our Group's total revenue respectively. The revenue contribution from our major customers were mainly derived from the provision of HCM and student management solutions which are mainly project-based (except for technical support and maintenance of HCM solutions). In the FYE 2020, the revenue contribution from our largest customer, namely Megatech was derived from the provision of consulting and implementation as well as technical support and maintenance in relations to Lark and provision of IT-related training under our HCM technology applications segment.

The value of HCM and student management solution projects generally vary, depending on the types of software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions in terms of the end-users' employee or student management workflow processes. The scale and implementation timeline of each HCM and student management solution project also vary according to the amount of changes and upgrades required. Once the implementation of a HCM and student management solution is completed, the organisation and educational institution will adopt and maintain the system before the next major investment is required for major upgrades. As such, we are not dependent on any one of our major customers and we may derive substantial revenue from different customers based on their investment budgets. In addition, following the completion of HCM and student management solution projects, the customers may continue to engage us for technical support and maintenance services, hence some customers may be listed as our top 5 major customers for consecutive years.

The value of revenue contribution from the provision of HCM technology application, particularly the provision of consulting and implementation as well as technical support and maintenance in relations to Lark, may fluctuate for each FYE as it generally depends on the number of subscriptions secured, subscription periods, as well as complexity of the consulting and implementation works and technical support and maintenance services requested by our customers during the subscription periods. As such, notwithstanding that Megatech contributed to our Group's revenue significantly at 35.64% in the FYE 2020, we are not dependent on Megatech as we may derive substantial revenue from different customers who subscribe Lark including our consulting and implementation as well as technical support and maintenance services. This can be achieved through our active efforts in expanding the presence and subscriber base of Lark in Southeast Asia as part of our business strategies set out in Section 6.6(ii) of this Prospectus. Further, our active effort in expanding our HCM technology application business segment is also an effort to diversify our source of income and reduce reliance on generating revenue from the provision of HCM and student management solutions.

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6. BUSINESS OVERVIEW (CONT'D)**6.17 MAJOR SUPPLIERS**

Our Group's top 5 major suppliers for the Financial Years Under Review are as follows:

FYE 2017:

Major supplier	Purchase contribution		Products / services sourced ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
Company B ⁽³⁾	297	40.97	(a) / (b)	Thailand	4
Avnet Technology Solutions (Singapore) Pte Ltd	275	37.93	(a)	Singapore	6
Company A ⁽³⁾	153	21.10	(a) / (b)	Malaysia	6
Sub-total	725	100.00			
Total	725	100.00			

FYE 2018:

Major supplier	Purchase contribution		Products / services sourced ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
Company B ⁽³⁾	3,340	86.77	(a) / (b)	Thailand	4
Company C ⁽³⁾	272	7.06	(a) / (b)	Singapore	3
Company A ⁽³⁾	191	4.96	(a) / (b)	Malaysia	6
4i Apps Solutions Pte Ltd	46	1.21	(b)	India	3
Sub-total	3,849	100.00			
Total	3,849	100.00			

FYE 2019:

Major supplier	Purchase contribution		Products / services sourced ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
Company B ⁽³⁾	2,103	74.87	(a) / (b)	Thailand	4
Company C ⁽³⁾	207	7.37	(a) / (b)	Singapore	3
System Plus Group Co Ltd	165	5.87	(b)	Thailand	2
Chain-Sys Asia Pacific Pte Ltd	152	5.41	(b)	Singapore	2
Concinnate Technology Solutions India Pvt Ltd	79	2.81	(b)	India	2
Sub-total	2,706	96.33			
Total	2,809	100.00			

6. BUSINESS OVERVIEW (CONT'D)**FYE 2020:**

Major supplier	Purchase contribution		Products / services sourced ⁽¹⁾	Country	Length of business relationship (years) ⁽²⁾
	RM '000	%			
Company B ⁽³⁾	2,213	60.98	(a) / (b)	Thailand	4
Company E ⁽³⁾	457	12.59	(a) / (b)	Indonesia	1
Company C ⁽³⁾	276	7.61	(a) / (b)	Singapore	3
System Plus Group Co Ltd	209	5.76	(b)	Malaysia	2
MFEC Public Company Limited	123	3.39	(b)	Thailand	1
Sub-total	3,278	90.33			
Total	3,629	100.00			

Notes:

- (1) *Category of products / services sourced:*
- (a) *Software licences*
(b) *Subcontracted implementation services*
- (2) *Length of business relationship with our major suppliers is calculated based on the date of our first business transaction with these suppliers up to the LPD.*
- (3) *Company A, Company B, Company C and Company E are subsidiaries of a multinational computer technology corporation with headquarters in the United States of America that is principally involved in selling database software and technology, cloud engineered systems, and enterprise software products that manages business operations and customer relations. Company A is located and operates in Malaysia, Company B in Thailand, Company C in Singapore and Company E in Indonesia. There is a confidentiality clause in the master distribution agreement entered into between Rams Malaysia and Company A which requires Rams Malaysia, amongst others, not to disclose information regarding the financial performance of Rams Malaysia specifically related to Company A's programs / services without prior consent from Company A. Pursuant thereto, a consent was sought for disclosure of the business relationship with Company A, Company B, Company C and Company E as well as the financial information of Company A, Company B, Company C and Company E pursuant to the IPO but the consent for disclosure was refused. As such, the names of Company A, Company B, Company C, and Company E are not disclosed in this Prospectus. Please refer to the 'Definition' section of this Prospectus for further information on Company A, Company B, Company C and Company E.*

For the FYE 2017 and FYE 2018, our Group purchased software licences and sourced for subcontracted implementation services from less than five suppliers. Most of our offerings under HCM and student management solutions business (i.e. consulting and implementation, sale of licences and technical support and maintenance services) use software developed by Oracle Corp. Hence, our HCM and student management solutions business is dependent on Oracle Corp. We are assessed by Oracle Corp on an annual basis when we renew our partnership status with Oracle Corp yearly. The Oracle partnership status and some additional terms and conditions associated to the partnership status stipulate our rights to resell their software licences to customers by sourcing the licences from their local representatives (i.e. in Malaysia, Thailand, Singapore and Indonesia) based on the locations of our customers' operations; and to provide implementation services of HCM and student management solutions using their software. Please refer to Section 6.3.1(v) of this Prospectus for our Group's partnerships with Oracle Corp. If we are unable to renew our partnership status with Oracle Corp yearly, our HCM and student management solutions business may be disrupted as we may not be able to purchase software licences directly from them as well as provide implementation and technical support and maintenance services of HCM and student

6. BUSINESS OVERVIEW (CONT'D)

management solutions using their software. As such, we may not be able to secure new projects directly from end-users for the provision of HCM and student management solutions using Oracle Corp's software. Further, the inability to renew our partnership status with Oracle Corp may result in disruptions to our existing projects secured directly from end-users as these end-users may need to appoint a new solution provider(s) to take over the existing projects if our Group is not allowed to complete our existing projects resulting from the unsuccessful partnership renewal. All of which will materially affect our HCM and student management solutions business.

Nevertheless, if we are unable to renew our partnership status with Oracle Corp, our Group would still be able to provide consulting services to end-users directly, and to provide implementation of solutions by securing projects through Oracle Corp's representatives or third party solution providers as a subcontractor for their projects. However, we will not be able to resell Oracle Corp's software licences to end-users upon non-renewal of our partnership with Oracle Corp. Additionally, our Group has put in efforts to diversify our offerings by including Sage EasyPay as part of our HCM solution offerings as well as expand our businesses into HCM technology applications through the development of Feet's, reselling of Lark and the provision of IT-related training via Lark. Further, we may explore opportunities to partner with other software vendors in the event of unsuccessful partnership renewal with Oracle Corp.

In the Financial Years Under Review, Company B was our largest supplier who contributed approximately 40.97%, 86.77%, 74.87% and 60.98% to our total purchases respectively. We also purchased from Company C, who contributed approximately 7.06%, 7.37% and 7.61% to our total purchases in FYE 2018, FYE 2019 and FYE 2020 respectively, and from Company A who contributed approximately 21.10% and 4.96% to our purchases in FYE 2017 and FYE 2018, respectively. In FYE 2020, we purchased from Company E, who contributed approximately 12.59% to our purchases. In FYE 2017, Avnet Technology Solutions (Singapore) Pte Ltd, an appointed licenced reseller of Company C, was our second major supplier providing software licences for our HCM solution project with National University of Singapore that requires our Group to provide software licence renewal for several years. The project commenced in 2015 and at that point in time, we were unable to purchase software licences directly from Company C as we had yet to demonstrate our ability to pay for the purchase of software licences within the stipulated credit term. Hence, we purchased software licences from Avnet Technology Solutions (Singapore) Pte Ltd under a similar credit term to Company C, which we paid within the given credit term. Thereafter, having demonstrated our ability to pay within the stipulated credit term, we have been able to purchase software licences directly from any Oracle Corp representatives.

While we are dependent on Oracle Corp to continue the partnership status with our Group, we have also worked closely with Oracle Group since the commencement of our business to secure HCM and student management solution projects where we are involved in the provision of consulting and implementation services while Oracle Group will supply software licences to the customers. With our long-standing and mutually beneficial business relationship with Oracle Group, as well as our reputation in the industry, our Group believes that we will be able to continue to purchase software licences from Oracle Group, thus assuring the supply of Oracle Corp's software licences.

Save as disclosed above, we are not dependent on any of our major suppliers.

6. BUSINESS OVERVIEW (CONT'D)

6.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENT AND OTHER ARRANGEMENTS
6.18.1 Oracle PartnerNetwork Agreement

The OPN agreement primarily operates to grant us membership to the OPN as an OPN member. As an OPN member, we are granted the following benefits:

- access to the OPN portal and access to any web-based assistance from Oracle Corp;
- access to monthly OPN newsletter(s) containing product updates and training opportunities for OPN members;
- eligibility to attend exclusive events and workshops for OPN members only;
- visibility on Oracle Corp's website(s) showcasing our areas of expertise; and
- support from local Oracle Corp's representatives.

Under our OPN membership, we are also allowed to purchase software licences through Oracle Corp's representatives and subsequently resell those software licences to our end-users. Our OPN membership also grants us the option to enter into agreements with the relevant local Oracle entity such as the master distribution agreements set out in Section 6.18.2 of this Prospectus that streamlines our ability to purchase software licences directly through the online OPN portal without having to go through Oracle Corp's representatives and allows us to distribute software licences (including cloud services and demonstration services) to our end-users.

Further, we are allowed to provide implementation of Oracle Corp's cloud-based HCM software solutions directly to our end-users with our OPN membership.

Our Group has been an OPN member since 2013 when Rams Singapore was accepted by Oracle Singapore to join as an OPN member. The OPN membership of Rams Singapore was renewed subsequently by way of a yearly renewal process with Oracle Singapore. Over the years, our other subsidiaries were also enrolled under the OPN membership of Rams Singapore.

On 3 December 2020, we had submitted our application for renewal of OPN membership for companies within the Group with Oracle Malaysia for the year of 2021. In the renewal application, Rams Malaysia was named as principal ⁽¹⁾ and in turn Rams Singapore, Rams Thailand, Rams Indonesia and Rams Vietnam were named as subsidiaries of Rams Malaysia to reflect our existing group structure. Following the renewal of OPN membership for the companies within our Group for the year of 2021, a new OPN agreement was entered into between Rams Malaysia and Oracle Malaysia on 12 January 2021 with Rams Malaysia as the new principal and Rams Singapore, Rams Thailand, Rams Indonesia and Rams Vietnam as subsidiaries to reflect our current Group structure ("**Malaysia OPN Agreement**").

Note:

- (1) *A "principal" is defined by Oracle Corp in its website as the headquarter entity that has the central role of executing agreements with Oracle Corp and managing its OPN membership as well as the OPN membership of its subsidiaries.*

The Malaysia OPN Agreement came into effect on 30 January 2021 with a validity period of 1 year from 30 January 2021 to 29 January 2022 and the salient terms of which are as set out below:

6. BUSINESS OVERVIEW (CONT'D)

- (i) OPN membership is subject to the payment of annual membership fees as stated in the relevant OPN policies. In the event that Rams Malaysia no longer meets the applicable qualifiers for its current membership or if Rams Malaysia applies to change its membership, Rams Malaysia shall pay the new annual membership fees in the event it elects to change its membership and such membership fees are non-cancelable and non-refundable;
- (ii) if a third party makes a claim against Rams Malaysia and/or its subsidiaries or an end user that any indemnified material, infringes their intellectual property rights, Oracle Malaysia at its sole cost and expense will defend Rams Malaysia and/or its subsidiaries and end user against the claim and indemnify Rams Malaysia and/or its subsidiaries and end user from damages, liabilities, cost and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by Oracle Malaysia provided that the procedures and conditions for claims are adhered to;
- (iii) if Rams Malaysia and/or its subsidiaries' membership in the OPN expires or is terminated, it will cease to be a member of the OPN and all of its rights to receive the services and benefits under the Malaysia OPN Agreement or the relevant OPN policies and right to use Oracle Malaysia's property shall cease;
- (iv) If either Oracle Malaysia or Rams Malaysia and/or its subsidiaries breaches a material term of the Malaysia OPN Agreement and fails to correct the breach within 30 days of written specification of the breach, then the non-breaching party may terminate the Malaysia OPN Agreement;
- (v) If Oracle Malaysia terminates the Malaysia OPN Agreement, Rams Malaysia and/or its subsidiaries must pay within 30 days from notification of the termination all amounts which have accrued prior to such end, as well as sums remaining unpaid for programs and / or services received under the Malaysia OPN Agreement plus related taxes and expenses;
- (vi) The Malaysia OPN Agreement is governed by the substantive and procedural laws of Malaysia and the exclusive jurisdiction of the courts in Malaysia in any dispute arising out of the Malaysia OPN Agreement; and
- (vii) Except for actions for non-payment or breach of Oracle Malaysia's proprietary rights, no action, regardless of form, arising out of or relating to the Malaysia OPN Agreement may be brought by either Oracle Malaysia or Rams Malaysia and / or its subsidiaries more than 2 years after the cause of action has accrued.

6.18.2 Master Distribution Agreements

The master distribution agreement grants OPN members a non-exclusive and non-transferable right to distribute to end users, Oracle Corp's programs, hardware and / or services with the value added package, which includes amongst others, cloud services and demonstration services ("**Oracle Products & Services**") as may be identified from time to time and accessible through the OPN portal. The principal (and by extension, its subsidiaries) are therefore granted the following benefits:

- ability to log a request via the OPN portal to purchase Oracle Corp's software licences directly without having to go through Oracle Corp representatives, thereby streamlining the purchasing process of Oracle Corp's software licences via the OPN portal;
- ability to request for discounts on the sale price of Oracle Corp's software licences during the purchasing process via the OPN portal; and

6. BUSINESS OVERVIEW (CONT'D)

- ability to track the purchasing activities of each company within our Group that has purchased Oracle Corp's software licences under the master distribution agreement.

On 5 August 2016, Rams Singapore entered into our first OPN master distribution agreement with Oracle Singapore with a validity period of 2 years from 5 August 2016. As part of the renewal process, Rams Singapore entered into successive OPN master distribution agreements with Oracle Singapore.

Following the successful renewal of the OPN membership of Rams Malaysia and the signing of the Malaysia OPN Agreement on 12 January 2021 to reflect our existing group structure, a new OPN master distribution agreement has been entered into between Oracle Malaysia and Rams Malaysia on 17 March 2021 ("**Malaysia MDA**"). The salient terms of the Malaysia MDA are as set out below:

- (i) the Malaysia MDA is effective for 2 years from 17 March 2021;
- (ii) all fees for the Oracle Products & Services which shall include any freight charges (as the case may be) sales, value-added customs, levies or other similar taxes imposed by applicable laws, payable to Oracle Malaysia is due within 30 days from the invoice date;
- (iii) if a third party makes a claim against Rams Malaysia and/or its subsidiaries or an end user that any indemnified material, infringes their intellectual property rights, Oracle Malaysia at its sole cost and expense will defend Rams Malaysia and/or its subsidiaries and end user against the claim and indemnify Rams Malaysia and/or its subsidiaries and end user from damages, liabilities, cost and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by Oracle Malaysia provided that the procedures and conditions for claims as set out in the Malaysia MDA are adhered to;
- (iv) if Rams Malaysia and/or its subsidiaries membership in the OPN expires or is terminated, it will not be permitted to distribute programs, hardware, learning credits, and / or services until its membership is made current;
- (v) if either Oracle Malaysia or Rams Malaysia and/or its subsidiaries breaches a material term or a distribution addendum and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate the Malaysia MDA;
- (vi) if Oracle Malaysia ends the Malaysia MDA, Rams Malaysia and/or its subsidiaries must pay within 30 days from notification of the termination all amounts which have accrued prior to such end, as well as sums remaining unpaid for programs, hardware, learning credits, and / or services received under the Malaysia MDA and the applicable distribution agreement plus related taxes and expenses;
- (vii) the Malaysia MDA is governed by the substantive and procedural laws of Malaysia and the parties agree to submit to the exclusive jurisdiction and venue in the courts in Malaysia in any dispute arising out of the Malaysia MDA; and
- (viii) except for actions for non-payment or breach of Oracle Malaysia's proprietary rights, no action, regardless of form, arising out of or relating to the Malaysia MDA may be brought by either Oracle Malaysia or Rams Malaysia and / or the subsidiaries more than 2 years after the cause of action has accrued.

6. BUSINESS OVERVIEW (CONT'D)

Notwithstanding the Malaysia MDA whereby Rams Indonesia is a subsidiary of Rams Malaysia, our Group is required to enrol Rams Indonesia into a separate MDA ("**Indonesia MDA**") on substantially the same terms and conditions as the Malaysia MDA due to the requirements imposed by the Government of Indonesia wherein contracts entered into with Indonesian corporations are to be entered into in the local language of Indonesia. We have requested with Oracle Indonesia to execute the Indonesia MDA and as at the LPD, our request is currently pending approval by Oracle Indonesia.

Save for the agreements disclosed in this Section 6.18, our Group's business or profitability is not materially dependent on any other commercial contracts, agreement and other arrangement.

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6. BUSINESS OVERVIEW (CONT'D)**6.19 EMPLOYEES**

As at the LPD, our Group has a total workforce of 113 employees, of which 47 are permanent employees and 66 are contract / temporary workers. Our local employees accounted for approximately 57.52% of the total workforce while the remaining 42.48% were foreign workers. All non-local employees in each of our offices have valid working permits issued and there has been no breach of any immigration laws by our Group.

The following depicts the number of our employees according to the business function / department and geographical location as at the LPD:

Business function / department	Permanent employee		Contract / temporary employee		Total
	Local	Foreign ⁽¹⁾	Local	Foreign ⁽¹⁾	
Directors	3	-	-	-	3
Key senior management	1	-	-	-	1
HR, finance and administration	8	4	2	1	15
Sales and marketing	2	1	6	14	23
Creative	1	-	2	1	4
R&D	6	-	11	1	18
Operation	11	10	7	15	43
Legal	-	-	1	1	2
Logistics	-	-	4	-	4
Total workforce	32	15	33	33	113

Geographical location	Permanent employee		Contract / temporary employee		Total
	Local	Foreign ⁽¹⁾	Local	Foreign ⁽¹⁾	
Malaysia	32	-	33	-	65
Singapore	-	4	-	3	7
Thailand	-	7	-	8	15
Indonesia	-	2	-	15	17
Vietnam	-	2	-	7	9
Total workforce	32	15	33	33	113

Note:

(1) *Foreign employees include non-Malaysian employees in our headquarters in Malaysia and our subsidiaries in Singapore, Thailand, Indonesia and Vietnam.*

As at the LPD, we have a total of 43 in-house consultants based in our offices in the respective countries, as set out in Section 6.5(ii) of this Prospectus. Of these 43 in-house consultants, 24 are permanent employees while the remaining 19 are contract / temporary employees.

None of our employees, whether permanent or contractual, belong to any labour union. During the Financial Years Under Review and up to the LPD, there were no industrial disputes pertaining to our employees.

6. BUSINESS OVERVIEW (CONT'D)

6.20 APPROVALS, MAJOR LICENCES, PERMITS AND REGISTRATIONS OBTAINED

As at the LPD, we hold the following major licences, permits and registrations for our business operations:

Licence Holder	Issuer / Authority	Date Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
Ramssol	Selangor Municipal Council	1 January 2021	31 December 2021	Composite Licence (1)	Nil	Not applicable
Rams Malaysia	Government (represented by the Minister of Finance Malaysia and Minister of International Trade and Industry Malaysia)	10 November 2014	Not applicable.	MSC Malaysia Status Certificate Certificate no.: 3466	Rams Malaysia shall: (a) carry out the following MSC Malaysia Qualifying Activities: (i) Establish and operate a Shared Services / Outsourcing Center rendering IT Outsourcing (ITO) services in Application Development and Maintenance; and (ii) Provision of implementation, technical services and maintenance related to the above-mentioned services; (collectively, the "Qualifying Activities")	Complied
				- Serial No.: 72909		
					(b) Locate the implementation and operation of the MSC Malaysia Qualifying Activities within 6 months from the date of the letter and thereafter continue to locate at all times in an office space of at least 1,200 square feet in: (i) Designated premises within MSC Malaysia Cybercities / Cybercentres, a list of which is available on the MSC Malaysia website as may be updated from time to time ("Designated Premises");	

6. BUSINESS OVERVIEW (CONT'D)

Licence Holder	Issuer / Authority	Date Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status compliance	of
					<p>(ii) Premises other than Designated Premises within MSC Malaysia Cybercities / Cybercentres located on land in respect of which there are no prohibitions restrictions on the use or enjoyment of the land or buildings thereon for commercial purposes ("Other Commercial Premises").</p> <p>(c) Ensure that at all times at least 85% of the total number of employees excluding support staff of Rams Malaysia shall be "knowledge workers". Knowledge workers shall be recruited, employed and / or appointed solely for the purpose of undertaking the Qualifying Activities. The recruitment, employment and / or appointment of foreign knowledge workers (if any) shall be the sole responsibility of Rams Malaysia and MDEC shall not be held responsible for any liability arising from such recruitment, employment and / or appointment;</p> <p>(d) Ensure that any products produced pursuant to the Qualifying Activities are original and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third party, or constitutes a misappropriation of know-how belonging to any third party;</p>		

6. BUSINESS OVERVIEW (CONT'D)

Licence Holder	Issuer / Authority	Date Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
					<p>(e) Inform MDEC of any change in the equity structure or shareholding structure of the MSC Malaysia Status Company, or such other changes that may affect the direction or operation of the MSC Malaysia Status Company. MDEC must be informed of any change before steps are taken to effect such change;</p> <p>(f) In the event that Rams Malaysia:</p> <p>(i) Fails to comply with the terms and conditions set out in this section;</p> <p>(ii) Fails to comply with the monitoring processes and procedures as described in this section and / or willingly refuses to provide such assistance as may be required by MDEC in its monitoring activities;</p> <p>(iii) Fails to or is unable to achieve or fulfil its objectives, projections or assurances as contained in its application and / or updated documents; or</p> <p>(iv) Does or permits anything to be done which in the sole opinion of MDEC tarnishes, harms and / or damages the image of MDEC or MSC and / or in any way adversely affects the reputation of MDEC or the MSC;</p>	<p>Complied. On 2 September 2020, Rams Malaysia has informed MDEC of the change in equity / shareholding structure arising from the Acquisition.</p>

6. BUSINESS OVERVIEW (CONT'D)

Licence Holder	Issuer / Authority	Date of Issuance	Date of Expiry	Type of Licence / Permit / Registration	Salient Conditions	Status of compliance
Rams Malaysia	Sepang Municipal Council	1 January 2021	31 December 2021	Composite Licence (1) - Serial No.: 72911	Nil	Not applicable
Feets Malaysia	Sepang Municipal Council	1 January 2021	31 December 2021	Composite Licence (1) - Serial No.: 72910	Nil	Not applicable
Rams Vietnam	Department of Planning and Investment ("DPI") of Ho Chi Minh City	1 st issuance on 25 April 2016 (4 th amendment on 5 October 2020)	30 March 2023	Investment Registration Certificate Certificate No.: 7628872736	Rams Vietnam shall comply with investment and business conditions in accordance with Vietnamese laws and relevant treaties, and to comply with relevant laws such as regulations on environment, fire safety, labour safety and on reporting obligations	Complied
Rams Vietnam	DPI of Ho Chi Minh City	23 December 2019	Not applicable.	Enterprise Registration Certificate Certificate No.: 0312238022	Nil	Not applicable

6. BUSINESS OVERVIEW (CONT'D)

Licence Holder	Issuer / Authority	Date Issuance	Date of Expiry	Type of Licence / Permit Registration	Salient Conditions	Status of compliance
Rams Indonesia	Ministry of Trade through the Online Single Submission (OSS) system	24 August 2020	Valid for as long as the business is undertaken	Trade Business Licence (Software Wholesale Trading Business Activity under KBLI 46512)	Nil	Complied
Feets Indonesia	Ministry of Industry through the Online Single Submission (OSS) system	18 March 2019	Valid for as long as the business is undertaken	Business Licence: Nil Industrial Business Licence (Software Publishing Business Activity under KBLI 58200)	Nil	Complied
Feets Indonesia	Ministry of Trade through the Online Single Submission (OSS) system	1 July 2020	Valid for as long as the business is undertaken	Business Licence: Nil Trade Business Licence (Software Wholesale Trading Business Activity under KBLI 46512)	Nil	Complied

Note:


- (1) A composite licence is a combined licence issued by certain local councils in Malaysia that combines a business / office licence with a signage / advertising licence and/or a trade licence.

6. BUSINESS OVERVIEW (CONT'D)


6.21 INTELLECTUAL PROPERTY RIGHTS

6.21.1 Trademarks

As at the LPD, the trademarks of our Group are set out as below:

Trademark	Proprietor	Registration No.	Registration Date / Expiry Date	Country of Registration	Authority / Regulatory Guidelines	Class	Description	Status
	Feets	2018064646	26 July 2018 / 26 July 2028	Malaysia	MyIPO	Class 35: Presentation of goods communication media, for retail purposes; advertising; distribution of samples; import-export agencies; marketing; publicity; demonstration of goods; business inquiries; business information; on-line advertising on a computer network; all included in Class 35.	Stylised word mark with Roman characters	Registered

6. BUSINESS OVERVIEW (CONT'D)

Trademark	Proprietor	Registration No.	Registration Date / Expiry Date	Country of Registration	Authority / Regulatory Guidelines	Class	Description	Status
	Feets	2018064647	26 July 2018 / 26 July 2028	Malaysia	MyIPO	Class 42: Computer programming; computer software consultancy; computer software design; installation of computer software; maintenance for computer software; updating of computer software; computer system analysis; computer system design; consultancy in the design and development of computer hardware; creating and maintaining web sites for others; providing search engines for the internet; rental of webs servers; technical project studies; authenticating works of art; all included in Class 42.	Stylised word mark with Roman characters	Registered

6. BUSINESS OVERVIEW (CONT'D)

6.21.2 Patents

As at the LPD, the patent application submitted by our Group is set out as below:

Title of Invention	Applicant	Application no.	Filing date	Country of Registration	Authority / Regulatory Guidelines	Status
Employee Engagement Platform	Feets Malaysia	PI2019006626	12 November 2019	Malaysia	MyIPO	Pending

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6. BUSINESS OVERVIEW (CONT'D)

6.22 MATERIAL PROPERTIES

6.22.1 Properties

As at the LPD, we own the following properties:

Registered owner / Beneficial Owner	Title Identification / Postal Address	Description / Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at FYE 2020 (RM'000)
Rams Malaysia	Title: GRN 253662 / m1-H / 2 / 236, Lot 47592, Mukim Dengkil, Daerah Sepang, Negeri Selangor Postal address: No. 4809-1-31, Central Business District Perdana 2, Persiaran Flora, Cyber 2, 63000 Cyberjaya, Selangor Darul Ehsan	Description: 1 st floor of a 5-storey shop-office building Existing use: Rented out to third parties	21 May 2012	This land shall be used for commercial buildings	185 square metres	Freehold	Charge created in favour of CIMB Bank Berhad vide Presentation No.: 30341 / 2015 on 27 August 2015	768

6. BUSINESS OVERVIEW (CONT'D)

Registered owner / Beneficial Owner	Title Identification / Postal Address	Description / Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at FYE 2020 (RM'000)
Demi Murni Holdings Sdn Bhd / Rams Malaysia	Title: GRN 338521, Lot 23566, Mukim Dengkil, Daerah Sepang, Negeri Selangor	Description: An apartment with 1 separate bedroom, 1 bathroom and a living room	31 May 2016	This land shall be used for commercial buildings (1)	41.81 square metres	Freehold	(a) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42393 / 2017 dated 26 May 2017;	211
	Postal address: C22-2A, Cybersquare Soho @ Cyberjaya, Jalan Teknokrat 7, Cyber 5, 63000 Cyberjaya, Selangor	Existing use: Lodging for overseas visiting staff					(b) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42394 / 2017 dated 26 May 2017; and	
							(c) Part of the land is leased to Tenaga Nasional Berhad for a tenure of 30 years commencing on 24 October 2016 and expiring on 23 October 2046 vide presentation number 42395 / 2017 dated 26 May 2017.	

Note: This SOHO in Cybersquare is a commercial apartment complex developed by the current registered owner of this property.

6. BUSINESS OVERVIEW (CONT'D)

6.2.2 Rented Properties

As at the LPD, we rented the following properties:

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
Tan Chee Seng	Rams Malaysia	B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the third floor of a four-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	2,231 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(¹) 108,000.00
Lee Miew Lan	Rams Malaysia	B-04-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the fourth floor of a 4-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	2,197 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(¹) 84,000.00
Rams Malaysia (as tenant)	Feets Malaysia (as sub-tenant)	B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	One of the units on the third floor of a four-storey semi-detached shop office / Corporate office which is currently used as Ramssol's headquarters	16 November 2017	1,115 square feet	12 months Commencing from 1 March 2021 to 28 February 2022	(²) 54,000.00
WeWork	Rams Singapore	15 Beach Road, #02-01 Beach Centre, Singapore 189677	Portion of a building in which WeWork maintains a shared office / working space and offers individual	Not applicable.	Not applicable (³)	24 months Commencing from 1 September	SGD24,139 (equivalent to RM75,142.29 (⁵))

6. BUSINESS OVERVIEW (CONT'D)

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
WeWork	Rams Thailand	No. 173, Asia Centre, 27 th Floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok, 10120	office spaces, workstations, other work spaces and other services, the amount of which shall vary according to WeWork and Rams Singapore's mutual agreement. Portion of a building in which WeWork maintains a shared office / working space and offers individual office spaces, workstations, other work spaces and other services, the amount of which shall vary according to WeWork and Rams Thailand's mutual agreement.	Not applicable	Not applicable ⁽³⁾	12 months Commencing from 1 January 2021 to 31 December 2021	THB336,180 (equivalent to RM44,450.39 ⁽⁶⁾)
NTA Construction Investment Company Limited	Rams Vietnam	No. 469, Dien Bien Phu Street, Ward 3, District 3, Ho Chi Minh City, Vietnam	Portion of a building in which NTA Construction Investment Company Limited maintains a shared office / working space and offers individual office spaces, workstations, other work spaces and other services.	Not applicable	Not applicable ⁽³⁾	15 months Commencing from 1 June 2020 to 31 August 2021	VND6,828,000 (equivalent to RM1,229.04 ⁽⁶⁾)

6. BUSINESS OVERVIEW (CONT'D)

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Floor Area	Tenure	Rental Per Annum (RM)
Eddy Darmawan	Rams Indonesia	SOHO Podomoro City Unit 3317, Jl. S. Parman Kav. 28, Jakarta Barat	Small Office / Home Office	2 July 2018	102.6 square metres	12 months Commencing from 1 March 2021 to 28 February 2022	IDR102,227,360 (equivalent to RM29,543.71 ⁽⁶⁾)
PT. Teratai Dharma Nusantara	Feets Indonesia	Not applicable	Virtual Office	Not applicable ⁽⁴⁾	Not applicable ⁽⁴⁾	12 months Commencing from 16 April 2021 to 15 April 2022	IDR3,168,000 (equivalent to RM915.55 ⁽⁶⁾)

Notes:

- (1) *The Landlords have granted under the terms of the tenancy agreement to Rams Malaysia which expired on 28 February 2021 a free-rental period of 6 months from 1 September 2019 to 31 March 2020 and the rent-free period was subsequently extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement, the respective Landlords entered into a new tenancy agreement with Rams Malaysia on 1 March 2021 on the same terms as the expired tenancy agreement. The salient terms of the new tenancy agreement are as follows:*
- (a) *The Landlord may terminate tenancy agreement in the event that the Tenant defaults in the payment of rental, or defaults in the performance of any of the other covenants or conditions of the tenancy agreement where the Landlord has in his discretion given the Tenant notice of such default or breach which remains uncured by the Tenant within 14 calendar days of the giving of such notice (or where the Tenant does not commence such curing within 3 calendar days of the notice where the breach is incurable within 14 days);*
- (b) *If the property or any part of it shall at any time during the tenancy created be destroyed or damaged by fire or so as to be unfit for occupation and use by the Tenant and the Tenant shall be at liberty to give the Landlord 1 month's notice in writing determining the tenancy and this tenancy shall be terminated and all rents paid by the Tenant in advance together with the deposit shall be refunded to the Tenant;*
- (c) *The Landlord or Tenant may terminate the tenancy agreement prematurely after 1 year of the period of tenancy by giving 3 months' prior written notice to the other; and*
- (d) *The Landlord or Tenant may terminate the tenancy agreement prematurely before 1 year of the period of tenancy by giving 3 months' prior written notice to the other and shall pay the other a sum equals to the rental due to by the Tenant for the remaining unexpired period of 3 months as compensation to the other.*

6. BUSINESS OVERVIEW (CONT'D)

Based on searches in a few online property listing sites, the monthly market rental rate for comparable properties in Cyberjaya ranges from RM1.62 to RM4.16 psf. As such, the monthly rental rate paid by Rams Malaysia to Tan Chee Seng and Lee Miew Lan of RM4.03 psf and RM3.19 psf respectively, is considered at arms' length as the rates are within the monthly market rental rate. Further, the monthly rental received by Tan Chee Seng is higher than Lee Miew Lan because the location of Tan Chee Seng's property provides better visibility and accessibility, thus giving higher value to the property. In view that this is a related party transaction, please refer to Section 9.1.1 of this Prospectus for further information.

- (2) This sub-tenancy is for part of the property leased by Rams Malaysia from Tan Chee Seng located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor. The salient terms of the sub-tenancy agreement are as follows:
 - (a) Rams Malaysia may terminate the sub-tenancy agreement in the event Feets Malaysia defaults in the payment of rental, or defaults in the performance of any of the other covenants or conditions of the sub-tenancy agreement where Rams Malaysia has in its discretion given Feets Malaysia notice of such default or breach which remains uncurd by Feets Malaysia within 14 calendar days of the giving of such notice or where Feets Malaysia goes into liquidation whether compulsory or otherwise;
 - (b) If the property or any part of it shall at any time during the tenancy created be destroyed or damaged by fire or so as to be unfit for occupation and use by Feets Malaysia and Feets Malaysia shall be at liberty to give Rams Malaysia 1 month's notice in writing determining the sub-tenancy and this sub-tenancy shall be terminated and all rents paid by Feets Malaysia in advance together with the deposit shall be refunded to Feets Malaysia;
 - (c) Rams Malaysia or Feets Malaysia may terminate the sub-tenancy agreement prematurely after 1 year of the period of sub-tenancy by giving 3 months' prior written notice to the other;
 - (d) Rams Malaysia or Feets Malaysia may terminate the sub-tenancy agreement prematurely before 1 year of the period of sub-tenancy by giving 3 months' prior written notice to the other and shall pay the other a sum equals to the rental due to by Feets Malaysia for the remaining unexpired period of 3 months as compensation to the other.
- (3) The Landlord is an office-leasing company that provides for shared workspaces which are flexible with shared office facilities and amenities (e.g. Internet, printers, copiers, scanners, phone booths, etc.) as may be required for the conduct of business for the utilisation of businesses and / or individuals who may not have a central office. As such, the floor area of the rented premise cannot be ascertained in view of the nature of the shared workspace.
- (4) The Landlord is a company that provides for virtual offices that enables business to operate without occupying any space or desks and for the business owners and / or employees to work remotely with the provision of a range of functions (e.g. designated business address and number, mail receipt and forwarding, receipt of calls by live receptionist and call forwarding, etc.) as may be required for the conduct of business through the Internet. As such, the floor area of the rented premise cannot be ascertained in view of the nature of the virtual office.
- (5) Based on the published relevant foreign exchange middle rate by Bank Negara Malaysia prevailing at 5:00 p.m. as at the LPD.

6. BUSINESS OVERVIEW (CONT'D)

6.22.3 Material plans to construct, expand or improve facilities

As at the LPD, save as disclosed in Sections 3.8 and 6.6 of this Prospectus, we have no immediate plans to construct, expand or improve any of our existing facilities.

6.23 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS**6.23.1 Governing Laws and Regulations**

Our Group's business operations are subject to the following laws and regulations:

(a) Malaysia

- (i) Local Government Act 1976 ("**LGA 1976**"), whereby the relevant local authorities may exercise and perform within such area all or any powers and duties conferred on them under the LGA 1976 or by any by-laws, rules or regulations passed pursuant to the LGA 1976. These powers include the issuance of licences and the imposition of any conditions and restrictions on such licences as the local authorities see fit. We require a business licence and signage licence to carry out our operations at our head office;
- (ii) Personal Data Protection Act 2010 ("**PDPA**"), which governs the processing of the personal data of the employees of Rams Malaysia.

(b) Singapore

- (i) Singapore Personal Data Protection Act 2010 ("**SPDPA**"), which governs the processing of the personal data of the employees of Rams Singapore.

(c) Thailand

- (i) Civil and Commercial Code of Thailand, which regulates the laws in Thailand in relation to corporate and commercial matters; and
- (ii) Foreign Business Act, B.E. 2542, which regulates the foreign ownership of the shares of private limited companies in Thailand.

(d) Indonesia

- (i) Law No. 24 of 2009 on National Flag, Language, Emblem and Anthem ("**Indonesia Language Law**"), which establishes the use of Bahasa Indonesia as the national language of Indonesia. The Indonesia Language Law requires that all contracts and/or agreements entered into with an Indonesian citizen or entity is required to be entered into in Bahasa Indonesia. The same contract/agreement may also be written in English or other national language;
- (ii) Presidential Regulation No. 63 of 2019 on Use of Indonesian Language, which governs the use of Bahasa Indonesia as the national language of Indonesia in commercial transactions.

(e) Vietnam

- (i) Law on Enterprise 2014, which sets out the corporate laws regulating the establishment, operation and governance of corporate entities under Vietnamese corporate law.

6. BUSINESS OVERVIEW (CONT'D)

As at the LPD, there is no breach of any property or land use conditions and / or non-compliance with any relevant laws, regulations, rules or requirements governing the conduct of our Group's business (including land rules and building regulations).

6.23.2 Environmental Concerns

As at the LPD, there are no environmental issues which may materially affect our Group's business or operations and usage of properties owned and rented by our Group as set out in Section 6.22 of this Prospectus.

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7. INDEPENDENT MARKET RESEARCH REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 31 MAY 2021

The Board of Directors

Ramssol Group Berhad
B-04-05, Tamarind Square,
Persiaran Multimedia, Cyber 10,
63000 Cyberjaya,
Selangor.

Dear Sirs/Madams,

Independent Market Research Report on the Human Capital Management (“HCM”) Solutions Industry, Information Technology (“IT”) Staff Augmentation Industry, and Employee Engagement Platforms and Collaboration Platforms Market in Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the listing of Ramssol Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industries and market(s) in which Ramssol Group Berhad and its subsidiaries (“Ramssol Group”) operate and to offer a clear understanding of the industry and market dynamics. Ramssol Group operates in Malaysia, Singapore, Thailand, Vietnam and Indonesia, and intends to expand into the Philippines. Hence, only Malaysia, Singapore, Thailand, Vietnam, Indonesia and the Philippines, collectively referred to as the “**countries involved**”, will be covered in the context of this IMR Report. The scope of work for this IMR Report will address the following areas:

- (i) The HCM solutions industry in the countries involved;
- (ii) The IT staff augmentation industry in the countries involved; and
- (iii) The employee engagement platforms and collaboration platforms market in the countries involved.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

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Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to SMITH ZANDER.

The research for this IMR Report was completed on 28 May 2021.

For further information, please contact:

SMITH ZANDER INTERNATIONAL SDN BHD

15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Malaysia
Tel: + 603 2732 7537

www.smith-zander.com

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 23 years of experience in market research and strategy consulting, including over 18 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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1 HCM SOLUTIONS INDUSTRY

1.1 INTRODUCTION

The provision of HCM solutions comprises a combination of HCM software and HCM services, that is catered towards human resource ("HR") or workforce management to enhance HR functions in organisations by automating and streamlining HR processes, policies and practices, as well as integrating and centralising HR data processing for effective monitoring and business analysis. The concept of workforce management and simplification of administrative processes through the use of HCM solutions can also be applied to educational institutions for the purpose of student administration management, examination management, timetable and curriculum management, and academic advisement, amongst others.

HCM software is a collection of IT applications to facilitate the automation and streamlining of HR functions and processes. It comprises various modules in multiple aspects of HR management such as payroll processing, talent recruiting and onboarding, employee performance review, and attendance and leave management. HCM software is developed by HCM software vendors and distributed in the form of user licenses.

As each organisation has its own HR requirements, objectives, policies and procedures, the modules in the HCM software can be incorporated with predefined HR policies set by organisations to support all aspects of HR management from hiring to retirement. Therefore, HCM software is an important tool to many organisations, especially to large organisations, as it has robust

functions that enable organisations with large workforce to enhance operational efficiency and to streamline their HR functions across departments, and across geographical locations regionally and/or globally.

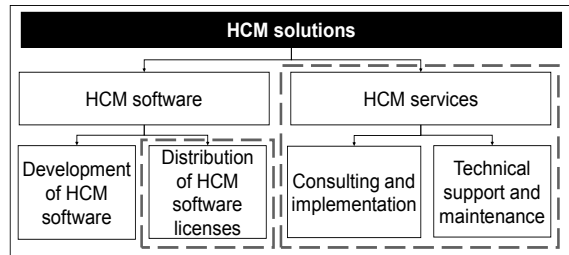
Technological evolution has influenced the development of HCM software from on-premise installation to cloud-based implementation where data transmission, management, storage and maintenance are administered off-site by third-party providers. Cloud-based HCM software is becoming a popular choice as it provides organisations the convenience of implementation without the commitment to maintain in-house IT teams for software and hardware maintenance. The adoption of HCM solutions becomes more cost friendly with cloud-based software as organisations are charged by rate of usage or number of users, and no large upfront investment is required to purchase servers and other related hardware. Further, cloud-based HCM software can cater to the on-demand increase in the number of users and data storage space required as organisations grow.

In order to incorporate the predefined HR policies into the HCM software, in-depth technical knowledge in HR and IT are required to customise, implement and maintain HCM software that is personalised to each organisation. Hence, **HCM services** such as consulting, implementation, technical support and maintenance of HCM software are essential to facilitate the adoption of HCM solutions by organisations:


- i. **Consulting and implementation** – Consulting involves assessing, analysing, restructuring and reengineering an organisation's HR policies and procedures, in accordance to their HR management objectives and budget. Consulting is an essential precedent in preparing for implementation as the programming, configuration and deployment requires high level of customisation to integrate the HCM software with the organisation's HR workflows and processes as well as existing IT systems, and to achieve the organisation's objectives.
- ii. **Technical support and maintenance** – Upon implementation, technical support and maintenance services are rendered to assist organisations in solving technical issues and to provide regular maintenance in updating the HCM software with the latest HR policies and procedures.

HCM services are provided by HCM software vendors or HCM solution providers. HCM software vendors may leverage on their expertise in developing HCM software to extend their offerings from distributing HCM software licenses to including the provision of HCM services to organisations. On the other hand, while HCM solution providers do not develop HCM software, they leverage on their expertise and understanding of the HCM software and HR expertise to provide HCM services to organisations. Hence, HCM solution providers typically collaborate with HCM software vendors to distribute HCM software licenses as part of their HCM solution offering.

Segmentation of the HCM solutions industry



Note:

-  denotes the segments in which Ramssol Group is involved.

Source: SMITH ZANDER analysis

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7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

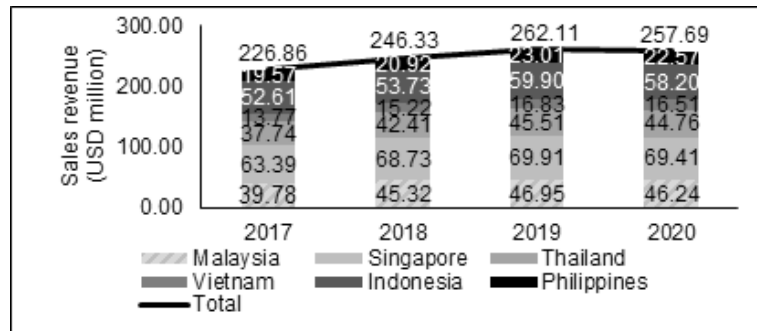
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1.2 INDUSTRY PERFORMANCE AND SIZE

The HCM solutions industry is measured in terms of sales revenue of HCM software licenses, consulting and implementation services, and technical support and maintenance services. The size of the HCM solutions industry in the countries involved grew from USD226.86 million (RM975.68 million)¹ in 2017 to USD257.69 million (RM1.08 billion)² in 2020 at a compound annual growth rate ("CAGR") of 4.34%.

In view of the global outbreak of the COVID-19 virus since early 2020, the HCM solutions industry in the countries involved experienced a slight slowdown in 2020. Please refer to **Industry Drivers, Risks and Challenges** below for further information on the impact of COVID-19 pandemic on the HCM solutions industry.

HCM solutions industry, 2017-2020



Notes:

- The industry size is computed based on sales revenue from the provision of HCM solutions using Oracle Corporation ("Oracle"), SAP SE ("SAP") and Workday, Inc. ("Workday")'s software.
- HCM solutions catering to large organisations, namely Oracle, SAP and Workday's software are included in the computation of the industry size for HCM solutions in the countries involved, on the basis that they are comparable software due to the cost involved.

Sources: QY Research, SMITH ZANDER analysis

1.3 INDUSTRY DRIVERS, RISKS AND CHALLENGES

Key Industry Drivers

► **Digitalisation of HR functions for greater operational and cross-departmental efficiency as well as increased productivity is expected to drive the demand for HCM solutions**

The size of an organisation's workforce grows in tandem with business expansion as labour is required to support the growing business operations. As organisations continue to grow, they may face increasing challenges in managing their HR functions which could range from recruitment and onboarding processes to employee compensations and benefits. The need to enhance HR functions, especially for large organisations, through the automation of tasks is critical to reduce manual labour, minimise human errors and increase accuracy, in order to achieve greater operational efficiency and improved productivity of workforce across multiple departments and operations in various locations. Hence, this is expected to drive the demand for HCM solutions.

Further, with the increasing reliance on IT technologies in finance and operations, organisations may digitalise and update their HR systems to streamline and integrate all business functions and IT systems for cross-departmental efficiency. The adoption of HCM solutions allows HR records (e.g. attendance and leave, remuneration and benefits, and training and development), employees' work performance (e.g. time management, sales performance and/or service quality, and personal development) and finance records (e.g. salary and claims payment) to be consolidated into one report for analysis and monitoring. This simplifies reporting processes, improves the accuracy of information sharing between departments and enhances collaboration between departments remotely. Remote collaboration has become increasingly critical as many organisations adopt work from home arrangements since the outbreak of COVID-19 pandemic. As such, the digitalisation of HR functions through the adoption of HCM solutions allows employers to gain insights and overview of employees' value to the organisation in a holistic manner at any point in time. This enables employers to align their talent strategies with overall business strategies to ensure that the growth of the company and their talents are sustainable.

► **HCM solutions enable the usage of data analytics to improve an organisation's workforce performance and employee engagement as well as their ability to retain and attract new talents**

Some HCM solutions are equipped with data analytics capability which enable organisations to gain insights into workforce trends such as employee performance and engagement, employee needs, and attrition and retention rates. Data analytics assist HR managers in identifying workforce issues within the organisation and make data-driven decisions to take proactive measures to improve the talent strategies of the organisation as well as to reduce workforce stress and promote employee well-being. This allows the organisation to maintain strong employee engagement and to ensure their employees are provided with appropriate support, training and remuneration which in turn helps to improve retention rates.

Employee needs have been evolving over the years with lifestyle changes and a younger workforce seeking better career development and placing more emphasis on work-life balance, family-friendly working arrangements, and health and fitness related benefits. HCM solutions are able to incorporate, collect and analyse modern key

¹ Exchange rate from USD to RM in 2017 was converted based on average annual exchange rates in 2017 extracted from published information from Bank Negara Malaysia at USD1 = RM4.3008.

² Exchange rate from USD to RM in 2020 was converted based on average annual exchange rates in 2020 extracted from published information from Bank Negara Malaysia at USD1 = RM4.2016.

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performance indicators such as employees' health, fitness, happiness and levels of engagement, enabling organisations to keep abreast with the evolving needs of their workforce and to position themselves as a desired workplace to attract the best talent in the market. Organisations are also able to improve retention rates and to maximise the return on their employees through enhanced efficiency and productivity, which are crucial in driving business growth.

For more advanced data analytics, HCM solutions can be incorporated with predictive analytics or artificial intelligence ("AI") modules. Predictive analytics uses historical employee data to provide predictions and insights to an organisation's workforce such as workforce performance, retention and attrition rates as well as any potential shortages of resources. This allows employers to gain insights to possible future trends of their HR conditions, thus allowing employers to plan ahead for their talent development and management strategies to ensure their HR can support the financial and operational growth of the organisation. AI in HCM solutions contains machine learning capabilities which help organisations to enhance, automate and speed up their HR processes. For instance, AI can be applied in an organisation's talent recruitment process whereby it helps to create a ranked list of potential candidates whose skills best align with the organisation's job specifications. This eases the filtering of candidates, allowing the HR personnel to focus on assessing and interviewing candidates, thus delivering more value to the organisation. As organisations strive to improve workforce performance, employee engagement and their ability to retain and attract new talents, robust data analytics in HCM solutions is expected to drive the demand for HCM solutions.

Key Industry Risks and Challenges**► Reliance on HCM software vendors for HCM solution providers to provide HCM solutions**

HCM software is a fundamental component in the provision of HCM solutions as it is the IT application that performs the required automation and streamlining of HR functions. As HCM solution providers do not develop and own the HCM software, they rely on HCM software vendors to distribute the HCM software licenses as part of their offerings. Hence, if there are any changes in the business direction of the software vendors that result in the ceasing of the HCM solution providers' rights to distribute HCM software licenses, HCM solution providers will not be able to secure new projects using the particular HCM software or the delivery of their ongoing projects might be affected. Nevertheless, such incidences can be mitigated by obtaining licensing rights from other HCM software vendors to continue providing HCM solutions.

However, as HCM software developed by different software vendors have its unique features and functionalities, software vendors will only allow their trained and authorised HCM solution providers to distribute their HCM software. HCM solution providers who wish to offer multiple selections/brands of HCM software as part of their HCM solutions are required to be trained and certified by the different software vendors. As such, HCM solution providers generally offer a limited selection of HCM software but possess strong expertise in the HCM software they carry and focus on working closely with the software vendors.

Further, HCM solution providers also rely on software vendors to continuously upgrade and maintain the HCM software to remain competitive in the market. If a software vendor is unable to continuously invest in new technologies and create new innovation in enhancing its HCM software, the HCM software will lose its attractiveness and subsequently affect the competitiveness of the HCM solution providers who carry that particular HCM software in the market.

► High cost of investment is a challenge for some organisations to adopt HCM solutions

The adoption of HCM solutions requires high cost of investment to purchase user licences based on the size of an organisation's workforce, and to engage consulting and implementation services for the HCM software. Further, user licenses have to be renewed on a yearly basis while the technical support and maintenance of HCM software is a continuous service required upon the implementation of HCM solutions, thus increasing the cost of investment for HCM solutions. The functions and modules required in the HCM software determine the complexity of the HCM solutions, and the cost of the HCM solutions also increases with the number of functions and modules. Hence, HCM solutions are typically adopted by large organisations as they have a large workforce which require the robust functionality of HCM solutions to manage their HR functions.

► Exposure to sudden crises, such as the COVID-19 pandemic, may adversely affect organisations' financial positions and lead to temporary slowdown in demand for HCM solutions

Unexpected crises such as political crisis, natural disasters and disease outbreaks may cause temporary disruptions to business operations. Due to the COVID-19 pandemic, lockdown measures such as movement restrictions imposed in the countries involved to curb the spread of the virus have resulted in a slowdown in economic activities, leading to potential adverse economic conditions. The economic impact of the COVID-19 pandemic may adversely affect the financial positions of many organisations which may result in tighter budgets. Organisations may therefore be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends. This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for HCM solutions. With the roll out of vaccinations, the impact of the COVID-19 pandemic is expected to ease gradually and the demand for HCM solutions is expected to improve as economic activities resume over time to pre-COVID-19 levels.

1.4 COMPETITIVE LANDSCAPE**Competitive Overview**

This section will focus on the HCM solutions industry in the countries involved as Ramssol Group is principally involved in the provision of HCM and student management solutions comprising consulting and implementation, sale of

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**SMITH ZANDER**

software licenses, and technical support and maintenance in Malaysia, Singapore, Thailand, Vietnam and Indonesia, and intends to expand into the Philippines.

In the HCM solutions industry, Oracle, SAP and Workday are HCM software that are deemed as the closest comparable HCM software, in terms of cost and functionality. The HCM software vendors for Oracle, SAP and Workday, who may also be involved in the provision of HCM solutions, generally work with their locally appointed HCM solution providers such as Ramssol Group, to deliver HCM solutions instead of directly competing with them. This is because HCM solution providers have the required local HR knowledge, specialised IT expertise and dedicated local team on-site for the delivery of HCM solutions. For example, HCM software vendors often participate in project tenders with their HCM solution providers. In such cases, the HCM software vendors will supply HCM software licenses to the customers while the HCM services will be delivered by the HCM solution providers with local presence.

HCM solution providers in the countries involved comprise local and foreign companies. Foreign industry players consist of regional and/or multinational companies that set up locally established entities in the countries involved to support their sales and marketing activities as well as the provision of HCM solutions to customers in the countries involved. There are also foreign industry players who do not have locally established entities and/or local presence, who deliver the required services at customers' sites in the countries involved by deploying IT personnel from their base country.

Key Industry Players

The basis for selection of the key industry players in the HCM solutions industry in the countries involved is as follows:

- companies who are involved in the provision of HCM solutions, comprising consulting, implementation, and/or technical support and maintenance services for HCM software. These players do not develop HCM software but may be involved directly in the sale of software licenses to their customers through distribution rights granted by the HCM software vendors, or they may partner with their HCM software vendors where the vendors sell the software licenses to customers;
- companies who offer comparable HCM software brands that caters primarily to large organisations, namely Oracle, SAP and Workday. These industry players may also offer HCM software from other brands; and
- companies with presence in Malaysia, Singapore, Thailand, Vietnam, Indonesia and/or Philippines for the provision of HCM solutions.

The list of key industry players in the HCM solutions industry in the countries involved is as follows:

Company name^(a)	Partnering HCM software vendors	Other business activities^(b)	Public listed	Principal markets
Accenture PLC*	Oracle, SAP and Workday	Provision of strategy services, management and technology consulting services and business process services.	Yes	Global
Capgemini SE*	Oracle and SAP	Provision of consulting, digital transformation, technology and engineering services.	Yes	Global
Deloitte Touche Tohmatsu Limited*	Oracle, SAP and Workday	Provision of audit and assurance, consulting, financial advisory, legal and risk advisory services.	No	Global
EPI-USE Systems Limited	SAP	Provision of other SAP solutions, cloud services and other IT services such as business intelligence and custom software development.	No	Global
Ernst & Young Global Limited	SAP	Provision of advisory, assurance, tax and transaction advisory services.	No	Global
Evolutionary Systems Pvt. Ltd. (a subsidiary of Mastek Limited)*	Oracle	Provision of other Oracle solutions.	No ^(c)	Global
HCL Technologies Limited*	Oracle and SAP	Provision of IT services and products such as applications, infrastructure, engineering and digital process operations.	Yes	Global
Infosys Limited*	Oracle and SAP	Provision of digital and consulting services.	Yes	Global
International Business Machines Corporation*	Oracle, SAP and Workday	Provision of technology and IT solutions for business needs.	Yes	Global

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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Company name ^(a)	Partnering HCM software vendors	Other business activities ^(b)	Public listed	Principal markets
KPMG International Limited*	Oracle, SAP and Workday	Provision of audit, tax and advisory services.	No	Global
NTT DATA Business Solutions Malaysia Sdn Bhd/ NTT DATA Business Solutions Singapore Pte Ltd (a subsidiary of NTT DATA Corporation)	SAP	Provision of other SAP solutions.	No ^(d)	Malaysia/ Singapore ^(e)
PricewaterhouseCoopers International Limited*	Oracle, SAP and Workday	Provision of assurance, consulting, risk assurance and tax solutions and services.	No	Global
Ramssol Group*	Oracle	Provision of IT staff augmentation, employee engagement mobile application, collaboration platform and IT-related training.	-	Malaysia, Singapore, Thailand, Vietnam and Indonesia
Rolling Arrays Consulting Pte. Ltd.	SAP	Provision of other HR services such as HR business process outsourcing, HR change adoption and data migration.	No	Asia Pacific and Middle East regions
Rizing LLC	SAP	Provision of other SAP solutions.	No	Global
Tech Mahindra Limited*	Oracle and SAP	Provision of IT services such as infrastructure and cloud services, data analytics, business process services, network services and cyber security.	Yes	Global
Wipro Limited*	Oracle and SAP	Provision of data, analytics and AI, applications services, consulting, infrastructure services as well as digital operations and platforms.	Yes	Global
4i Apps Solutions Private Limited*	Oracle	Provision of cloud applications consulting and services.	No	Global

Notes:

- This list is not exhaustive.
- * Oracle PartnerNetwork ("OPN") member.

(a) Foreign established companies or groups may provide HCM solutions to organisations in the countries involved directly through their parent company and/or through locally established entities in the countries involved. As information on whether the HCM solutions is provided by the parent company or through their locally established entities is not publicly available, SMITH ZANDER is unable to conclusively identify the specific entity(ies) within the company or group that are involved in the provision of HCM solutions in the countries involved. Thus, in this IMR Report, the parent companies are selected as the key HCM solutions industry players in the countries involved.

(b) Premised on (a), the financial information of the specific entity(ies) within the company or group that are involved in the provision of HCM solutions in the countries involved cannot be determined. Providing financial information of the parent companies is deemed to be not comparable as the parent companies may be involved in other business activities besides the provision of HCM solutions, and may have global or other regional business outside the countries involved.

(c) The parent company, Mastek Limited, is a public listed company.

(d) The parent company, NTT Data Corporation, is a public listed company.

(e) NTT Data Corporation's principal markets are in Americas, Asia Pacific, Europe and Middle East regions.

Sources: Ramssol Group, various companies' websites, SMITH ZANDER analysis

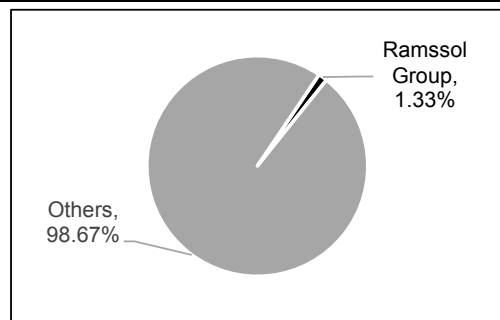
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Market Share

In 2020, the HCM solutions industry size in the countries involved, comprising provision of HCM solutions using software from Oracle, SAP and Workday, measured in terms of sales revenue of HCM software licenses, consulting and implementation services, as well as technical support and maintenance services, was recorded at USD257.69 million (RM1.08 billion).

For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of HCM and student management solutions using Oracle software was recorded at RM14.36 million and thereby, Ramssol Group captured a market share of 1.33% in the HCM solutions industry in the countries involved comprising provision of HCM solutions using software from Oracle, SAP and Workday.



Sources: Ramssol Group, QY Research, SMITH ZANDER analysis

2 THE IT STAFF AUGMENTATION INDUSTRY

2.1 INTRODUCTION

IT staff augmentation is a type of outsourcing engagement service rendered by IT solution and service providers to organisations who want to hire an IT personnel or a team of IT personnel with specific IT skillsets for a fixed contractual period for predetermined assigned projects or to meet specific business needs. IT solution and service providers have internal talent databases, industry networks, technical IT knowledge, IT recruitment market knowledge and dedicated resources to handle the tedious and time-consuming recruitment processes such as reviewing applications, conduct pre-employment screenings, and assess and shortlist candidates, on behalf of their customers. Suitable talents that match the customers' requirements will be hired by the IT solution and service providers and outsourced to their customers for the contract period. The job responsibilities, performance and management of these outsourced IT personnel are solely handled by the customers.

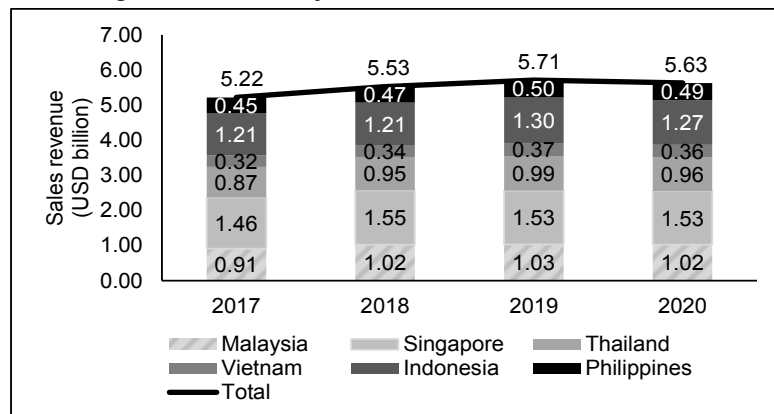
Organisations who engage IT staff augmentation services ultimately aim to simplify and speed up their project staffing process and increase the rate of successful placements with the right IT skillsets in order to commence and complete their projects on time. IT staff augmentation is a flexible arrangement for organisations when an individual or a team of temporary skilled expertise is required to complete an ad-hoc project without having to maintain permanent headcount after the completion of the project, and to have full control of the management of the temporary personnel throughout the contract period.

2.2 INDUSTRY PERFORMANCE AND SIZE

The size of the IT staff augmentation industry in the countries involved, measured in terms of sales revenue, grew from USD5.22 billion (RM22.45 billion) in 2017 to USD5.63 billion (RM23.66 billion) in 2020 at a CAGR of 2.55%.

In view of the outbreak of the COVID-19 virus since early 2020, the IT staff augmentation industry in the countries involved experienced a slight slowdown in 2020 due to a decrease in demand for IT staff augmentation services. Please refer to **Chapter 2.3 Industry Drivers, Risks and Challenges** for further information on the impact of the COVID-19 pandemic on the IT staff augmentation industry.

IT staff augmentation industry, 2017-2020



Note:

- Figures may not add up due to rounding.

Sources: QY Research, SMITH ZANDER analysis

2.3 INDUSTRY DRIVERS, RISKS AND CHALLENGES

► **Digital transformations in businesses lead to increased demand for ad-hoc IT personnel with specialised skillsets which drive the demand for IT staff augmentation services**

As organisations leverage on technology to enhance business and operational processes, the demand for IT personnel increases to execute, manage and maintain their IT systems. However, many organisations may not have in-house IT teams or the required IT personnel with the specialised skillsets to support all ad-hoc IT projects. Such situation drives

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**SMITH ZANDER**

the demand for IT staff augmentation services which allow organisations to have access to dedicated skilled IT personnel on project basis and reduces the need to maintain permanent headcount after the completion of the IT projects. Organisations can leverage on the IT solution and service providers' technical IT knowledge and IT recruitment expertise to ensure the best talent with the right skillsets and experience are hired to meet their project requirements. This allows organisations to minimise the impact of mismatched hires that may cause potential disruptions to the project, as well as be able to recruit timely. Since the outbreak of the COVID-19 pandemic, many businesses have been forced to accelerate their digital transformation to ensure the continuity of their operations and/or to venture into e-commerce. Organisations which do not have in-house expertise may leverage on IT staff augmentation services to recruit experienced IT personnel to execute their digital transformation plans urgently.

► **Minimising daily disruptions to HR operations drives the demand for IT staff augmentation services**

Many organisations may maintain a relatively small HR team to handle crucial HR functions to ensure the daily operations of the company remain smooth. When an organisation has an ad-hoc IT project that requires an influx of additional IT resources with specific skillsets, its HR team may be pressured to hire within a short time for the IT project to commence and complete on time. In such cases, engaging IT staff augmentation services is ideal to minimise disruptions to daily HR operations and to speed up the project staffing process. This allows the HR team to reduce their time spent on recruiting for ad-hoc projects and thus, be able to focus on their core HR functions.

► **Reliance on the availability of suitable talents in the market and customer's hiring process and budget for successful placements**

IT solution and service providers are reliant on the availability of suitable talents in the market that match the requirements of their customers for the provision of IT staff augmentation services. In the IT industry, certain IT skillsets are highly specialised and may be difficult to source, and these providers are generally not involved in developing talents. Hence, they may face time constraints in sourcing suitable talents as hiring companies usually seek to hire within the shortest time possible.

As such, IT solution and service providers must have a wide talent reach and strong industry network in order to identify suitable candidates. They must also be able to reach out to passive job seekers to have a wider reach of talent pool. These providers are required to identify the closest potential candidates that meet their customers' requirements and demonstrate that the identified candidates are suitable for their customers' projects. In such cases, the providers may put their market reputation at risk if their customers are not satisfied with their recommendations that lead to unsuccessful hires.

IT solution and service providers are also reliant on other factors not within their control such as their customers' budgets that determine the competitiveness of the remuneration packages offered to the talents. While these providers encourage their customers to offer more competitive remuneration packages to attract the best talent, some organisations may have limited budgets and thus, this may affect the success of hiring.

► **Economic impact of the COVID-19 pandemic affects the demand for IT staff augmentation services and supply of IT personnel**

The economic impact of the COVID-19 pandemic may adversely affect the financial position of many organisations which may result in tighter budgets. As organisations may be more cautious with their spending moving forward, they may abort or temporarily delay non-essential ad-hoc IT projects in order to prioritise financial resources on core business functions. Hence, this may temporarily affect the demand for IT staff augmentation services.

Further, due to the strict travel measures imposed by many countries and the closure of international borders to curb the spread of the COVID-19 virus, the supply of IT personnel may be affected as IT solution and service providers face disruptions in sourcing for talents from other geographical regions. This poses challenges in sourcing for suitable talents due to the smaller pool of talents available. With the roll out of vaccinations, the impact of the COVID-19 pandemic is expected to ease gradually and the demand for IT staff augmentation services is expected to improve as economic activities resume over time to pre-COVID-19 levels.

2.4 COMPETITIVE LANDSCAPE

Competitive Overview

IT staff augmentation services are mainly provided by IT solution and service providers. IT solution and service providers leverage on their IT technical knowledge and industry network to source IT personnel with the suitable skillsets to meet their customers' requirement for ad-hoc IT projects. These providers may source IT talents in the local market or foreign markets based on their network and market outreach. Industry players generally compete in terms of geographical coverage, placement track record, and service quality and pricing.

Ramssol Group competes with regional IT solution and service providers for the provision of IT staff augmentation services in the countries involved. These regional industry players, established locally in the countries involved, with presence in multiple countries within Malaysia, Singapore, Thailand, Vietnam, Indonesia and/or Philippines include Comtel Solutions Pte Ltd, Abhidi Solution Sdn Bhd, Creative Mobile Multimedia Broadcasting (CMMB) Sdn Bhd, Zenith Infotech (S) Pte Ltd, Adventus Asia Pte Ltd, MclTs Technologies Pte Ltd, Shell Infotech Pte Ltd and Teamwork Business Solutions Co. Ltd.

Ramssol Group also competes with IT solution and service providers with single country presence in the respective countries involved, such as iCrest Sdn Bhd, KISL Technology Centre Sdn Bhd, Planar Sphere Sdn Bhd, SYS IT (M) Sdn Bhd, WEBrandings (M) Sdn Bhd, Maven IT Solutions Sdn Bhd, Digileap Technologies Pte Ltd, Enterprise IT Services Pte Ltd, KG Sowers Group Pte Ltd, Sysnet System and Solutions Pte Ltd, Web Synergies (S) Pte Ltd, YM

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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Global Technologies Pte Ltd, Lanna Softworks Company, Ltd., Saraff Infotech Co. Ltd., Aware Corporation Limited, HPT Vietnam Corporation, and QSoft Vietnam Corporation.

Market Share

In 2020, the IT staff augmentation industry size in the countries involved, measured in terms of sales revenue, was recorded at USD5.63 billion (RM23.66 billion). For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of IT staff augmentation services was recorded at RM0.88 million and thereby, Ramssol Group captured a market share of 0.004% in the IT staff augmentation industry in the countries involved.

3 EMPLOYEE ENGAGEMENT PLATFORMS AND COLLABORATION PLATFORMS MARKET

3.1 INTRODUCTION

Employee engagement platforms

Employee engagement is the connection and emotional commitment of an employee towards its workplace and the organisation's goals. Having good employee engagement helps organisations to understand their employees' needs and expectations. Traditionally, engagement with employees are done through face-to-face and telephone conversations, email communications and at company events. Organisations may also conduct employee surveys online, allowing them to reach out to all their employees at different locations.

With the advancement of IT, organisations can engage with their employees through employee engagement platforms. Employee engagement platforms contain social networking features where users can share messages, photos and multimedia. These features encourage employees from different levels to connect, communicate and socialise with each other conveniently beyond work related engagements and in a more casual setting, promoting relationship building for a better work environment.

Some employee engagement platforms may also adopt a game-like concept, also known as gamification, to enhance employee engagement. Gamification creates a fun, interactive and rewarding environment to attract employees to actively engage with each other. For example, points are awarded when employees accomplish certain tasks such as sharing an article, participating in discussions, completing training programmes, or achieving daily health targets set by the organisation to create a healthy workforce; leaderboards are used to demonstrate rankings of all employees by points collected and to drive employees into friendly competition with each other; and the points collected can be exchanged with extra benefits offered by the organisation. Ultimately, employees are rewarded according to the level of engagement while organisations are able to collect information on a real-time basis to measure, analyse and improve employee engagement to create a more rewarding working culture.

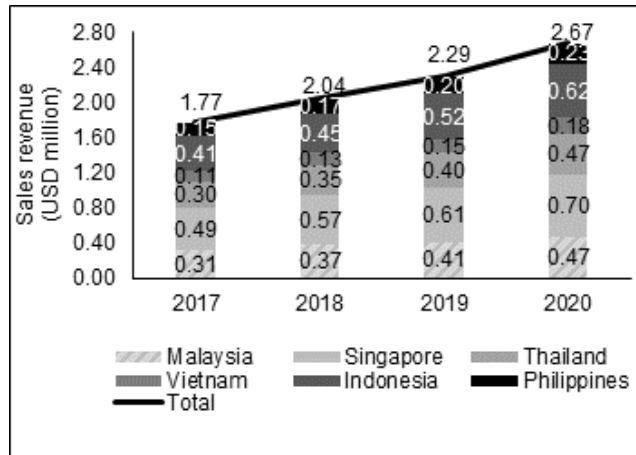
Collaboration platforms

Communication tools such as instant messaging, audio and video conferencing tools, and emails enable group communications among employees of an organisation and external parties from different locations. Collaboration platforms offered in the market may comprise a combination of multiple communication tools integrated into a single platform. These collaboration platforms may also be equipped with other collaborative tools such as cloud-based file sharing and storage, document creation and editing, and calendar scheduling. Such collaboration platforms enable effective and convenient online work collaboration and communication, between internal and external parties of an organisation. Further, collaboration platforms may also be used by students and teachers to conduct online classes.

3.2 MARKET PERFORMANCE AND SIZE

The employee engagement platforms market in the countries involved, measured in terms of sales revenue, grew from USD1.77 million (RM7.61 million) in 2017 to USD2.67 million (RM11.22 million) in 2020 at a CAGR of 14.69%. Subsequent to the outbreak of the COVID-19 virus in 2020, many employees are encouraged to work from home to curb the spread of the virus. This has led to a decrease in face-to-face communication and engagement between employees and the organisation. Hence, with the adoption of employee engagement platforms, organisations are able to re-elevate the reduced communication between employees as a result of being distanced from one another; and at the same time, organisations can continue to monitor and keep track of their employee's engagement remotely. This had contributed to the growth in the employee engagement platforms market in the countries involved in 2020.

Employee engagement platforms market, 2017-2020



Sources: QY Research, SMITH ZANDER analysis

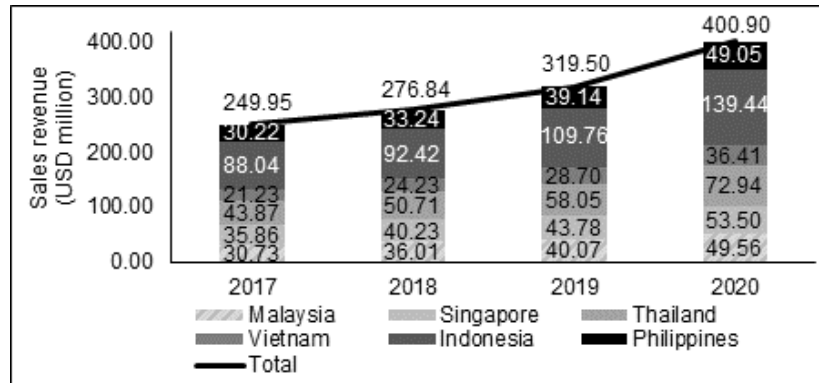
7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

In view of the gradual shift in trends where organisations seek to adopt more effective options to better communicate and engage with their employees, as well as the new norm of physical distancing due to COVID-19, the employee engagement platforms market in the countries involved is expected to continue experiencing positive growth going forward.

The collaboration platforms market is measured in terms of sales revenue of business communication tools comprising audio and video conferencing, chats and other collaborative tools such as cloud-based file sharing and storage, document creation and editing as well as calendar scheduling. The size of the collaboration platforms market in the countries involved grew from USD249.95 million (RM1.07 billion) in 2017 to USD400.90 million (RM1.68 billion) in 2020 at a CAGR of 17.06%.

Collaboration platforms market, 2017-2020



Sources: QY Research, SMITH ZANDER analysis

Subsequent to the outbreak of the COVID-19 virus, there has been a surge in the demand for collaboration platforms as lockdown and physical distancing measures have forced organisations worldwide into adopting work from home practices, in a bid to curb the spread of the COVID-19 virus. This had contributed to the growth in the collaboration platforms market in the countries involved in 2020.

As the primary objective of collaboration platforms is to promote effective communication and collaboration remotely, the norm of working from home is expected to lead to an increase in the usage of collaboration platforms. Hence, the collaboration platforms market in the countries involved is expected to continue experiencing positive growth going forward.

3.3 KEY DEMAND DRIVERS, RISKS AND CHALLENGES

► The use of gamification encourages proactive interaction and participation to enhance employee engagement, which drives the demand for employee engagement platforms

The use of gamification in employee engagement platforms allows organisations to measure employee engagement levels while providing an interactive and fun environment to employees. The data collected from employees' interaction through the employee engagement platform can be translated into insightful information for organisations to gauge employees' job satisfaction, interests, preferred benefits, work commitment levels, and health and stress management, amongst others. According to the World Health Organization ("WHO"), more than 264 million people suffer from depression globally, and among these people, many of them are also suffering from symptoms of anxiety. A WHO-led study estimates that depression and anxiety disorders may cause the global economy USD 1 trillion each year in lost of productivity, and workplaces that promote mental health and support to employees with mental disorders are more likely to reduce absenteeism, and increase productivity and benefit from associated economic gains. Thus, a healthy workforce is likely to be more engaged with the organisation, and this may lead to a decrease in healthcare spending as well as risk of injuries and/or illnesses.

Additionally, with employees' proactive interaction and participation within the platform, data can be collected continuously and on a real-time basis as compared to traditional employee surveys which are conducted periodically and on a need-to basis. Hence, it provides organisations with real-time updates of employees' work sentiment and behavior, thus giving employers the ability to make data-driven decisions to develop talent management strategies for continuous improvement in the productivity of their workforce and to improve retention rates, as well as increase their ability to attract the best talent in the industry.

► Employee engagement platforms and collaboration platforms for optimising productivity and facilitating workplace digital transformations

As businesses grow and expand, teams and departments within an organisation become more widespread. The increase in distance creates challenges for employees to interact with one another conveniently and effectively. Modern communication tools such as employee engagement platforms and collaboration platforms enable organisations to provide a secure digital workspace and seamless communication to connect employees from various departments and geographical locations. Hence, employers are able to promote effective collaboration which drives employee productivity, as well as provide better engagement and management of their workforce remotely.

Overall business productivity can be enhanced when employees are able to stay connected on project updates and work progress through collaboration platforms. As storing, editing and sharing of documents can be done remotely, employees can easily access documents, thus enabling effective work collaboration. Additionally, internal and external communications are no longer confined by distance as audio and video conferencing allows discussions to convene online.

7. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**SMITH ZANDER**

Subsequent to the outbreak of the COVID-19 virus, business operations have been severely disrupted following the implementation of lockdown and physical distancing measures. As a result, employee engagement platforms and collaboration platforms have become increasingly important as certain businesses can continue their operations with employees working from home through such platforms. This has led to a change in the way people work as well as organisations' acceptance of the importance of employee engagement platforms and collaboration platforms for effective remote communication and collaboration. Hence, this is expected to continue driving the demand for employee engagement platforms and collaboration platforms going forward.

Further, as the countries involved embark into their respective government-driven digital transformation initiatives (e.g. Industry 4.0 in Malaysia, Smart Nation in Singapore), workplace digital transformations are also taking place in organisations to leverage on technology to enhance workplace productivity and to support the adoption of technology to centralise, automate and improve business processes. The demand for employee engagement platforms and collaboration platforms is expected to increase to support workplace digital transformations.

► **Organisations' confidential information stored in the employee engagement platforms and collaboration platforms are subject to risk of security breaches**

Employee engagement platforms and collaboration platforms usually contain confidential information such as employee information, customer information, project details and other proprietary information. As these technologies are connected to the internet, the information stored is susceptible to external security threats such as virus attacks, hacking, espionage and cyber intrusions (e.g. hacking and malicious software). These incidences may cause leakage of confidential information to the public and potential breach of personal data protection acts or laws of the respective countries of implementation.

Hence, employee engagement platform and collaboration platform providers must ensure that their products are equipped with sufficient protection against these potential security breaches. Any occurrence of such security breaches may result in the loss of user confidence as well as financial and/or legal implications, which may adversely affect the provider's financial performance and market reputation.

3.4 COMPETITIVE LANDSCAPE

Competitive Overview

Employee engagement platforms

Employee engagement platform providers generally compete in terms of product features, user friendliness, pricing and market outreach. As the contents in the employee engagement platform are usually localised to suit the cultural background and company culture of the users, having a strong local sales support is essential for employee engagement platform providers to remain competitive in the market.

Ramssol Group's employee engagement platform, Feet's, which uses the gamification concept to enhance employee engagement, is currently offered in Malaysia and Indonesia. Ramssol Group also plans to expand the offering of Feet's to Singapore, Thailand, Vietnam and the Philippines. Examples of similar employee engagement platforms available within the countries involved are Vimigo (Malaysia), ORLIG Amaze Super Agent (Malaysia), Gametize (Singapore), MOMI (Singapore), Selfdrvn (Singapore, Malaysia and India), SKOR (Indonesia), Happily.ai (Thailand), BravoHR (Vietnam) and UpUp App (Vietnam).

Collaboration platforms

Collaboration platform providers generally compete in terms of product features, user friendliness, pricing and market outreach. In addition, these platforms are easily accessible through the internet and hence can be made available to any users internationally. Industry players who have a strong brand presence and market outreach are expected to be able to have a wider reach of customers beyond their country of origin.

Ramssol Group's collaboration platform, Lark, focuses on creating a virtual workspace for employees through the integration of multiple communication and collaborative tools such as audio and video conferencing, cloud-based file sharing and storage, document creation and editing, instant messaging, and calendar scheduling. Examples of other platforms offering multiple communication and collaborative tools similar to Lark are Avaya Spaces, Bitrix 24, Chanty, Cisco Webex, Eko, Flock, hibox, IceWarp TeamChat, Microsoft Teams, RingCentral Glip, Samepage, Slack, Wimi, Workplace from Facebook and Zoho Cliq.

Nevertheless, Ramssol Group's Lark also competes with other collaboration platforms that offer individual communication or collaborative tools that may not be integrated. Examples of these include Zoom (audio and video conferencing), Whatsapp (instant messaging), DropBox (cloud-based file sharing and storage) and Google Docs (document creation and editing).

Market Share

For the FYE 2020, the segmental revenue of Ramssol Group derived from the provision of HCM technology applications namely Feet's and Lark, was recorded at RM8.68 million. In 2020, the collective market size of employee engagement platforms and collaboration platforms in the countries involved, measured in terms of sales revenue, was recorded at USD403.57 million (RM1.70 billion). With that, Ramssol Group captured a market share of 0.51% in the employee engagement platforms and collaboration platforms markets in the countries involved collectively.

8. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS**8.1.1 We are dependent on software vendors for the implementation of HCM and student management solutions as well as for the reselling of Lark**

We are a HCM solution and technology specialist involved in the provision of HCM and student management solutions respectively, using third party software developed by software vendors. As we do not develop our own software, we are dependent on software vendors to implement HCM and student management solutions. This is because a HCM or student management software is the fundamental infrastructure within the HCM and student management solutions respectively, as it is the IT application that performs the required automation and streamlining of HR processes or student management processes.

Most of our revenue generated from the provision of HCM and student management solutions in the Financial Years Under Review uses software developed by Oracle Corp as set out in Section 6.3.1 of this Prospectus. We are assessed by Oracle Corp on an annual basis and our Group is required to maintain at least 2 in-house consultants certified by Oracle Corp when we renew our partnership status with Oracle Corp yearly. Hence, we are dependent on Oracle Corp to secure the rights to resell Oracle Corp's software licences and to provide implementation services for HCM and student management solutions, using Oracle Corp's software, to our customers. If there are any changes in Oracle Corp's business direction that results in the ceasing of our Group's partnerships with Oracle Corp, we may not be able to secure new projects to provide HCM and student management solutions using Oracle Corp's software. Such interruptions to our business operations may materially affect our HCM and student management solutions business and subsequently affect the growth of our Group.

Under our HCM technology applications, we resell a third party collaboration platform, namely Lark, which is licenced by Lark Technologies Pte Ltd. As we do not develop our own collaboration platform, we are dependent on Lark Technologies Pte Ltd as our software vendor for our sale of Lark. If there are any changes in Lark Technologies Pte Ltd's business direction that results in the ceasing of our rights to resell, our subsidiary, Rams Malaysia will not be able to resell Lark and secure new subscriptions, and our ongoing Lark subscriptions may also be affected. Such interruptions to our business operations may materially affect our HCM technology applications business and subsequently affect the growth of our business and our financial performance.

Further, we also rely on our software vendors to continuously upgrade and maintain the software to remain competitive in the market. If our software vendors are unable to continuously invest in new technologies and create new innovation to enhance their software, the software which we are authorised to resell and/or implement will lose its attractiveness in the market and consequently, we may lose our competitive edge to other providers in the market.

8. RISK FACTORS (CONT'D)

8.1.2 We are dependent on our Directors and key senior management team for continued success and growth of our business

The growth and future success of our Group is largely dependent on the continuous contribution from our CEO, Tan Chee Seng, for the leadership in determining the overall strategic direction and driving the business development and growth of our Group. Additionally, we also attribute our continuous success to the abilities, skills, experience and efforts of our COO, Lee Miew Lan, for overseeing the operational functions of our Group, and assisting our CEO in implementing operational strategies and policies.

Further, we are dependent on the continued service of our key senior management personnel who possess the relevant knowledge in their respective fields of work to ensure smooth operation of our business. As such, the loss of any of our Directors and key senior management simultaneously or within a short period may create unfavourable impact on our Group's operations and the future growth of our business. All of which may eventually affect the results of operations, financial performance and prospects of our Group, if we are unable to replace or attract suitable talents in a timely manner.

8.1.3 The project-based and contract-based nature of our business and the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow

Our revenue was mainly derived from the provision of HCM and student management solutions, followed by the provision of IT staff augmentation services. Revenue from HCM and student management solution projects and IT staff augmentation services collectively contributed 100% to our Group's total revenue in FYE 2017 and FYE 2018, and approximately 99.49% and 64.05% in FYE 2019 and FYE 2020 respectively.

The provision of our HCM and student management solutions, particularly the consulting and implementation of solutions, are carried out on a project basis. Our revenue from delivery of services is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition, and may cause our profit and operating cash flow to fluctuate.

Further, we provide IT staff augmentation services to our customers on a contractual basis, generally ranging between a period of few months to one year. Any renewal of our IT staff augmentation contracts is subject to our customers' internal IT projects and / or operational needs. Hence, the non-recurrent nature of new contracts secured as well as the renewal of existing contracts may cause the revenue, profit and operating cash flow of our IT staff augmentation business to fluctuate.

8.1.4 Our business and operations are exposed to sudden disruptions caused by serious pandemic and epidemic outbreaks

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation. In Malaysia, the government announced the MCO, effective 18 March 2020 to 3 May 2020, which had caused the closure of all government and private premises except those involved in essential services, unless written permission is obtained from MITI. Further, a CMCO was imposed between 4 May 2020 and 9 June 2020 which allowed more businesses to operate subject to the adherence to a set of strict standard operating procedures. In view of the MCO and the CMCO imposed between 18 March 2020 and 9 June 2020, the business operations of our Group and the majority of our customers in Malaysia were affected. Further, our operations in Singapore, Indonesia and Thailand were also affected by the mandatory social / physical distancing measures and / or lockdowns imposed by the respective governments in these countries.

8. RISK FACTORS (CONT'D)

The mandatory social / physical distancing measures and / or lockdowns imposed by the governments in these countries have also prohibited us from continuing our work at our customers' premises. While our consultants continued to work from home to ensure the continuation of project implementation, certain parts of our work were restricted such as physical sighting of confidential documents were unable to be carried out, and extraction of information required from our customers were delayed due to unstable connection to customer's virtual private network. This had caused slight delays to our project delivery schedule which had subsequently affected our billing schedule from the second quarter of 2020 onwards for our existing projects. Any prolonged disruption to our business operations or our customers' business operations pursuant to the imposition of any mandatory social / physical distancing measures and / or lockdowns may have adverse impact on our project deliverables, thereby affecting our billing schedule and financial performance as we continue to incur fixed expenses during the mandatory social / physical distancing and / or lockdown period. Please refer to Section 6.15 of this Prospectus for further details on the interruptions to our business and operations caused by the COVID-19 pandemic.

Further, the economic impact of the COVID-19 virus may adversely affect the financial positions of many organisations which may result in tighter budgets. Organisations may be more cautious in their spending moving forward and prioritise resources in recovering their sales performance and financial position after the crisis ends. This may temporarily affect the demand for HCM solutions in view of its high cost of investment and may consequently cause a slowdown in the demand for our HCM solutions. In addition, it may also affect the demand for our IT staff augmentation services as organisations may temporarily delay or abort their ad-hoc IT projects.

As a result of the COVID-19 outbreak, up until the LPD, Rams Indonesia has entered into an agreement with 1 customer in Indonesia for the deferment of our HCM project due to factors as detailed in Section 6.15 of this Prospectus. There was also a slight delay in user acceptance testing for a project in Indonesia as detailed in Section 6.15 of this Prospectus. Any such future pandemic outbreaks, as well as epidemic outbreaks affecting a significantly large but more localised population, may result in similar interruptions to our Group's business and operations, which may subsequently have a material adverse impact on our financial performance.

8.1.5 We may not be able to successfully implement our business strategies

We plan to grow our HCM and student management solutions business and HCM technology applications business by further expanding our presence regionally, enhancing our existing offerings and increasing our sales. In order to successfully implement these business strategies, we need to attract suitable talents regionally, intensify our R&D activities and increase our sales and marketing activities. Please refer to Section 6.6 of this Prospectus for further details of our business strategies.

The execution of our business strategies is subject to additional expenditures including staff costs, office rental, sales and marketing expenses, R&D expenses and other working capital requirements. Such additional expenditures will increase our Group's operational cost including our overhead costs, and may adversely affect our profit margin if we are unable to gain sufficient revenue by securing more sales or projects following the implementation of our business strategies. Furthermore, the implementation of our business strategies may be influenced by factors beyond our control, such as changes in general market conditions, economic climate and political environment in Malaysia as well as regionally in Southeast Asia, which may affect the commercial viability of our business strategies. The implementation of our business strategies could also be adversely affected by a variety of other factors such as new and unforeseen technologies used or introduced by our competitors or attractive pricing offered by our competitors, which may affect the attractiveness of our offerings.

Hence, there can be no assurance that the effort and expenditures spent on the implementation of our business strategies will yield expected results in growing our business in terms of financial performance and market presence. We are not able to guarantee that we will be successful in executing our business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our business strategies. Such failure may lead to adverse effect on our business operations and financial performance.

8. RISK FACTORS (CONT'D)

8.1.6 The commencement of our HCM technology application business, particularly Feet's, may not be profitable in the first few years of operations

Feet's was launched in Malaysia and Indonesia in March 2019 and October 2019 respectively. As Feet's is relatively new in the market, we are expected to continue to incur high investment cost in marketing activities and in expanding our existing sales and marketing team to actively market Feet's to organisations in Malaysia and Indonesia to expand our market presence. Further, we will also continue to incur high capital expenditure for the continuous enhancement and R&D activities for Feet's to provide more impactful employee engagement insights as well as to meet market trends and demand for employee engagement products.

As part of our regional expansion plan, our Group intends to expand the presence of Feet's to Singapore, Thailand and Vietnam. Being a new brand in these markets, our Group will have to invest extensively in marketing activities to build our brand presence in the respective countries, and we may also require time to gain market acceptance for Feet's. Further, we will incur upfront cost to set up our sales and marketing teams in the respective countries to carry out marketing activities and to secure brand partners for Feet's. Further, as the language used in Feet's has to be localised for users in Thailand and Vietnam, our expansion into these countries will require our Group to incur initial investment cost for language localisation prior to launching Feet's in these markets.

Despite the high initial investment cost for Feet's, there can be no assurance that we will be able to attract sufficient subscriber base and yield sufficient revenue to achieve profitability in the first few years of launching Feet's in every country.

8.1.7 We are dependent on our team of consultants for the provision of HCM and student management solutions

Our consultants are our Group's main assets in our HCM and student management solutions business. The provision of HCM and student management solutions, including consulting and implementation of the respective solutions as well as technical support and maintenance services, requires the expertise of our consultants who are equipped with extensive HR knowledge as well as experience in HCM software and student management software. As at the LPD, we have a total of 43 in-house consultants (including 15 certified by Oracle Corp). Our in-house consultants consist of 24 permanent employees while the remaining 19 are contract / temporary employees.

Our ability to retain and also to attract competent and skilled consultants is crucial for our continued success, future business growth and expansion. Any loss of our consultants and our inability to find suitable replacements in a timely manner may cause disruptions to our project deliverables. Consequently, if our Group is unable to adhere to our project delivery schedules, our billing schedule will be delayed as invoices are issued according to project delivery milestones. Further, based on the agreement for our current on-going projects as at the LPD, our customers are allowed to claim for liquidated damages of up to 5% of the total project cost. In the event that our customers claim for liquidated damages in relation to delays or failures caused by our Group to meet any milestones as specified in the agreement, it will increase our project cost and this may adversely affect our financial performance if there is a significant number of such claims. Since the commencement of our business, our Group has not received any claims for liquidated damages arising from delays in meeting project milestones.

In addition, based on the agreement for our current on-going technical support and maintenance services, our customers are allowed to claim for liquidated damages of up to 10% of the technical support and maintenance contract. If our customers claim for liquidated damages in relation to delays or failures caused by our Group to provide such services, it will increase our operating cost and this may adversely affect our financial performance if there is a significant number of such claims.

8. RISK FACTORS (CONT'D)

8.1.8 Our in-house and third party HCM technology applications, Feet's and Lark, are exposed to the risk of security breaches

Our subscribers' personal information and all data generated from Feet's are stored on third party cloud platform. Storing data electronically may expose our database to external security threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches which include unauthorised access to restricted information by our employees.

Under the Personal Data Protection Act 2010, any service provider that collects customer information has the responsibility to adopt and implement a policy that protects the privacy of identifiable information. Failure to protect our Feet's subscribers' information from security breaches may result in the termination of subscriptions by our subscribers as well as exposure to legal action by the subscribers for breach of confidentiality including, but not limited to, lawsuits for damages arising from such breaches, which could adversely affect our business reputation and subsequently may result in long term repercussions on the demand for and/or usage of Feet's.

In February 2020, our subsidiary, Rams Malaysia began to resell Lark, a third party collaboration platform Asia Pacific (including Japan and excluding Mainland China). We do not own Lark and the subscribers' information are stored in Lark's database. In the event where there are security breaches on Lark which lead to leakage of subscribers' information to unauthorised parties, as a reseller, our reputation and relationship with our subscribers may be adversely affected. Further, it may also lead to loss of subscribers' confidence in our Group which will adversely affect our industry reputation.

Please refer to Section 6.7 of this Prospectus for measures taken by us to minimise the risk of potential security breaches. While we have taken the necessary measures to minimise the risk of potential security breaches, there can be no assurance that there will not be cases of security breaches in the future which could lead to adverse impact to our Group as described above.

8.1.9 Our intellectual property rights may be infringed and / or we may inadvertently infringe on third party's intellectual property rights

We retain the ownership rights of Feet's, our in-house employee engagement mobile application that was developed in-house and first launched in Malaysia in March 2019. Our Group had on 12 November 2019 submitted a patent application with the Intellectual Property Corporation of Malaysia in relation to Feet's technology in Malaysia. However, there can be no assurance that our intellectual property rights will adequately protect against any external infringement of Feet's.

In the development of Feet's, including all on-going enhancements and modifications, there are also possibilities that we could inadvertently infringe intellectual property rights held by third party(s). This would result in the risk of the third party challenging our Group's intellectual property rights or taking legal action against us.

There is no assurance that any of the above incidents will be resolved in our favour. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed its intellectual property, we may suffer significant loss arising from financial penalties and / or litigation costs. We may also be exposed to other risks such as adverse reputation and / or being prevented from selling the subscription of Feet's, which may impact our range of HCM offerings and financial performance. Since the launching of Feet's in Malaysia in March 2019, our Group has not encountered any issues relating to the infringement of third parties' intellectual property rights.

8. RISK FACTORS (CONT'D)**8.1.10 Our financial performance may be impacted by any changes in the conditions or loss of MSC Malaysia status**

Our subsidiary, Rams Malaysia, was granted MSC Malaysia status on 10 November 2014. Presently, all MSC Malaysia status companies are granted with certain financial and non-financial incentives. The MDEC is the responsible body for monitoring all MSC Malaysia status companies, and MDEC has the right to revoke a company's MSC Malaysia status at any time in the event that there is non-compliance of the stipulated conditions.

As such, there can be no assurance that Rams Malaysia will continue to retain its MSC Malaysia status or to enjoy the access to incentives granted to all MSC Malaysia status companies. Further, there can also be no assurance that the incentives will not be changed or modified in the future. All of these could have an adverse effect on our Group's financial performance.

Pursuant to the MSC Malaysia status, Rams Malaysia was granted Pioneer Status which entitles Rams Malaysia to a 100% exemption on taxable statutory income derived from approved MSC activities in the first 5 years upon the grant of MSC Malaysia status. Please refer to Section 6.20 of this Prospectus for the salient conditions imposed by MDEC on our Pioneer Status and MSC Malaysia status respectively. Upon the expiry of the first 5 years, the grant of tax exemption can be renewed for a further period of 5 years.

Our Pioneer Status, which was effective from 21 November 2014, had expired on 20 November 2019. Rams Malaysia had, on 22 April 2020 submitted an application to renew the Pioneer Status. MDEC has confirmed via a letter to Rams Malaysia dated 22 October 2020 the compliance of conditions by Rams Malaysia under the MSC Malaysia Status Conditions of Grant of Rams Malaysia as at the expiry date of the Pioneer Status. On 2 November 2020, MDEC has confirmed via a letter dated 2 November 2020 that the application for renewal of Pioneer Status has been submitted to the National Committee on Investment for further deliberation. On 14 December 2020, Rams Malaysia received approval from the Malaysian Investment Development Authority for the extension of Pioneer Status effective from 21 November 2019 to 20 November 2024. This has allowed Rams Malaysia to continue to be 100% exempted from taxation on its statutory income until 20 November 2024. While Rams Malaysia was subject to the applicable statutory taxation for FYE 2019 as the renewal of the Pioneer Status was received thereafter on 14 December 2020, we plan to file for a tax refund for the FYE 2019 when we file for the taxation for the FYE 2020 in the second half of 2021. Upon the expiry of the Pioneer Status on 20 November 2024, Rams Malaysia will be subject to the applicable statutory tax rates going forward, which may affect the overall future profitability of our Group.

8.1.11 We are exposed to foreign exchange transaction risks which may impact the profitability of our Group

For the Financial Years Under Review, our Group is involved in the provision of HCM and student management solutions, and HCM technology applications primarily for customers in Southeast Asia, including Malaysia, Thailand, Singapore, Vietnam and Indonesia. The breakdown of our revenue by currencies in the Financial Years Under Review are as follows:

Currency	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue	RM '000	% of total revenue
RM	1,698	24.94	2,877	22.97	6,294	40.77	12,571	49.63
THB	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
SGD	4,177	61.35	3,982	31.80	3,469	22.47	2,835	11.19
USD ⁽¹⁾	421	6.19	445	3.56	92	0.59	55	0.22
VND	30	0.44	156	1.24	90	0.58	-	-
IDR	-	-	-	-	61	0.40	2,316	9.14
Total revenue	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

8. RISK FACTORS (CONT'D)**Note:**

(1) Revenue from customers in the Netherlands and Taiwan.

For the Financial Years Under Review, our purchases, comprising HCM and student management software licences from software vendors, and subcontracted implementation services from other IT companies, are mainly denominated in THB, USD, SGD and RM. Nevertheless, our purchases may vary from year to year which will be subject to the countries where we secure our sales. The breakdown of our purchases by currencies in the Financial Years Under Review are as follows:

Currency	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM '000	% of total purchases	RM '000	% of total purchases	RM '000	% of total purchases	RM '000	% of total purchases
THB	297	40.97	3,340	86.77	2,297	81.77	2,509	69.14
USD	-	-	46	1.21	305	10.86	328	9.04
SGD	275	37.90	272	7.06	207	7.37	276	7.60
RM	153	21.13	191	4.96	-	-	-	-
IDR	-	-	-	-	-	-	516	14.22
Total purchases	725	100.00	3,849	100.00	2,809	100.00	3,629	100.00

Our Group does not hedge our exposure to fluctuations in foreign currency exchange rates. As such, we are subject to foreign exchange fluctuation risk for our revenue and purchases denominated in foreign currencies which we transact.

A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher cost of purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower cost of purchases in RM after conversion. Overall, our foreign exchange gains and losses for the Financial Years Under Review are as follows:

Foreign exchange gain / (loss)	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Unrealised	(8)	(12)	25	(47)
Realised	(9)	6	80	(9)
Total	(17)	(6)	105	(56)

8.1.12 Our HCM and student management solution project deliverables are exposed to unexpected delays or interruptions caused by operational factors, accidents and natural disasters beyond our control

The deliverables of our HCM and student management solution projects are subject to unexpected delays or interruptions caused by factors beyond our control. For example, our customers may delay the completion of projects due to unforeseen circumstances such as unavailability of persons-in-charge at the customers' sites to facilitate the implementation of the project, or unexpected difficulties in accessing our customers' IT infrastructure due to sudden breakdowns or unscheduled system maintenance.

If there are any delays caused by our customers which result in delays in the progress of our projects, our timing of delivery will be affected and this will subsequently affect our timing for revenue recognition and collection of payment from our customers, thus affecting our financial

8. RISK FACTORS (CONT'D)

performance. Hence, we are dependent on the availability and cooperation of our customers to minimise delays in our deliverables.

Any other unexpected events such as accidents and natural disasters may also restraint our employees' movements where our implementation teams are unable to travel to customers' premises, or in more serious cases, lead to loss of some of our implementation team members which may cause temporary disruptions to our projects. As the delivery of our services and project deliverables is dependent on our employees and cannot be replaced or automated with machines, any unexpected significant interruptions to our manpower which are not resolved in a timely manner may affect the timing of delivery of our projects and subsequently affect our timing for revenue recognition and collection of payment from our customers.

8.1.13 We are exposed to risks relating to the economic, political, legal and regulatory environments in the countries in which we operate

Our Group operates regionally in Southeast Asia with offices in Malaysia, Singapore, Thailand, Vietnam and Indonesia. Our Group also plans to continue expanding our regional presence to the Philippines. Our business, prospects, financial condition and results of operations may be affected by any adverse developments, changes and / or uncertainties in the economic, political, legal and regulatory environments that are beyond our control in the countries in we operate and transact business. These risks include unfavourable changes in political conditions, economic conditions, interest rates, government policies and regulations, import and export restrictions, duties and tariffs, civil unrests, methods of taxation, inflation and foreign exchange controls.

Any changes in government policies that may cause disruptions in business operations and financial performance of businesses, may consequently cause a decline in HR budgets and demand for our Group's products and services. Such events may have a material adverse effect on our business and financial performance. There can be no assurance that any adverse economic, political, legal and / or regulatory developments will not lead to a material adverse effect on the business performance of our Group.

8.1.14 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in the course of our business operations

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. As at the LPD, the insurance policies taken by our Group in regards to the respective subsidiaries are as follows:

- (i) Professional indemnity insurance policy for Rams Malaysia, Rams Singapore, Rams Thailand, Rams Vietnam and Rams Indonesia;
- (ii) Fire and allied perils, all risks, burglary and money, plate glass, public liability, employer's liability insurance policy for our headquarters in Malaysia; as well as fire, lightning, explosion, falling aircraft, smoke, flood, riot, strike, malicious damage and civil commotion, burglary and money-in-safe loss, and third party legal liability insurance policy for our office in Indonesia. Our offices in Singapore and Thailand are operated from service offices whereas our office in Vietnam is a virtual office and as such, we do not procure similar insurance policies for these offices;
- (iii) Group personal medical insurance policy for our employees in Malaysia, Singapore, and Thailand. We do not procure group personal medical insurance for our employees in Vietnam; and
- (iv) Life insurance policy for our CEO, Tan Chee Seng and our COO, Lee Miew Lan, with our Group being the beneficiary of the policies.

However, in the event of claims, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations as a result of any unforeseen circumstances. Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or

8. RISK FACTORS (CONT'D)

obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance.

As at the LPD, our Group is in the midst of finalising group personal medical insurance policy for Rams Indonesia. In the event of the occurrence of any unforeseen circumstances prior to securing the policy for Rams Indonesia, our Group will be required to absorb all cost incurred and this may affect our financial performance.

8.1.15 We are exposed to credit risk and default payment by customers

We generally grant our customers credit periods between 30 days to 45 days upon issuance of invoices. In the event that payment is not received within the credit period or there is a default in payment by our customers, our operating cash flows or financial results of operations may be adversely affected.

Our allowances for impairment loss for the Financial Years Under Review are as follows:

	<u>FYE 2017</u> <u>RM'000</u>	<u>FYE 2018</u> <u>RM'000</u>	<u>FYE 2019</u> <u>RM'000</u>	<u>FYE 2020</u> <u>RM'000</u>
Allowance for expected credit loss	15	-	-	213

As at FYE 2020, trade receivables past due but not impaired amounted to RM1.70 million or 14.70% of our total trade receivables as set out in Section 12.3.7.1 of this Prospectus. As at the LPD, trade receivables past due but not impaired amounted to RM3.43 million or 41.23% of our total trade receivables. While we have not impaired for any credit loss in the Financial Years Under Review and up to the LPD, there can be no guarantee that our customers will be able to fulfil their payment obligations and that we will not encounter any collection problems in the future. In the event that there is any default or delay in the collection of payment, it will lead to impairment losses on trade receivables or bad debts which may have material adverse impact on our financial performance.

8.2 RISKS RELATING TO OUR INDUSTRY**8.2.1 We are dependent on our customers' budgets as the adoption of HCM or student management solutions requires high cost of investment**

HCM solutions generally are suitable for large organisations for automation of HR processes and management of large volumes of data generated by a large workforce. HCM solutions also allow organisations to enhance its talent management strategies by incorporating modern key performance indicators such as employees' health, fitness, happiness and levels of engagement, enabling organisations to keep abreast with evolving needs of their workforce and to position themselves as a desired workplace to attract the best talent in the market. On the other hand, student management solutions are designed for educational institutions to automate multiple aspects of administrative processes for academics and student management such as student admission, registration of study programme, fees payment, attendance tracking, recording of examination grades, distribution of learning materials and participation in co-curriculum activities.

The adoption of HCM and student management solutions requires high cost of investment which comprises cost to purchase user licences and cost to engage consulting, implementation, and support and maintenance services for the solution. The cost of a HCM or student management solution is based on various factors, including types of software, modules to be implemented, duration of project, number of consultants required and complexity of the

8. RISK FACTORS (CONT'D)

solutions based on organisations' HR policies and workflow processes requirements and educational institutions' student administrative requirements respectively.

Our HCM solutions, especially solutions using Oracle Corp's HCM software, are generally catered to large organisations with at least 1,000 users; while our student management solutions are generally catered to large educational institutions also with at least 1,000 users. Due to the scale of implementation, our HCM and student management solutions require high investment cost from organisations and educational institutions respectively, and this may present challenges for organisations and educational institutions with limited budgets to adopt our solutions.

8.2.2 We face competition from other HCM and student management solutions providers and software vendors

Organisations and educational institutions who are the end users of HCM and student management solutions respectively, may engage other HCM and student management solution providers including solution providers which are registered as OPN members with Oracle Corp, or software vendors for their projects, and hence, our Group faces competition from these solution providers and software vendors in the provision of HCM and student management solutions. As at the LPD, there are 186 OPN members in Malaysia, 162 OPN members in Singapore, 120 OPN members in Thailand, 110 OPN members in Indonesia and 97 OPN members in Vietnam.

In cases where customers engage solution providers for their HCM or student management solution projects, our Group as a solution provider would compete with other similar solution providers. We also compete with software vendors when customers engage them directly for their projects, as these software vendors sell licences of other brands of HCM software and/or student management software, and they also deliver implementation and consulting to the customers through their in-house expertise. We compete with these solution providers and software vendors in terms of expertise and resources available, software used, service quality, delivery time and pricing strategies.

The competition arising from other solution providers and software vendors may result in increased difficulty for us in winning competitive tenders for future projects, which will have a negative impact on our revenue and subsequently our overall financial performance.

8.2.3 Our IT staff augmentation services are exposed to factors beyond our control including the availability of suitable talent in the market, and our customers' hiring process and budget for successful placements

Successful hires for our IT staff augmentation services are subject to many factors including the suitability and availability of suitable IT talent in the market that matches the requirements of our customers, and other factors beyond our control such as our customers' hiring process and budget that determines the competitiveness of the remuneration packages offered to talents.

In the IT industry, certain IT skillsets are highly specialised and may be difficult to source. For example, if our customer is looking for an IT professional with specialised skillsets and experience in handling a certain brand of software for a particular industry, the talent pool may be relatively small. This is because the IT professional is required to have strong IT technical skills and knowledge in handling that particular brand of software, while the IT professional is also required to have the relevant industry experience in order to meet all our customer's requirements.

Further, our customers generally provide us a duration between 30 days to 3 months to source for the suitable talents. As the period given are relatively short and it may not be feasible for us to train or develop talents with the relevant IT skillsets and knowledge in order to fit all our customer's requirements, we usually source for talents who already have the necessary IT

8. RISK FACTORS (CONT'D)

skillsets and experience to propose them to our customers. Nevertheless, there can be no assurance that such talents that fit all our customer's requirements are readily available in the market. This may result in the inability to provide suitable talents to our customers, or proposing the closest potential talents, which may eventually lead to unsuccessful hires and the loss of revenue.

We are also dependent on the information provided by our customers to identify suitable talents. In cases where limited or inconsistent information on the job scope and expectations are provided to us which we then convey to the potential talents, it may create confusion and an unpleasant hiring process that may lead to losing the best talent. In addition, limited budgets which may affect the competitiveness of remuneration packages offered to the talent may also lead to losing the best talent to competing hiring companies. Further, if the hiring process is too lengthy or our customers struggle to reach a consensus on the decision to hire, it may result in the best talent seeking jobs elsewhere.

If we are unable to secure any hires, we will be unable to claim the full service fees from our customers which will adversely affect our financial performance. Further, as we bill our customers for IT staff augmentation services on a monthly basis, any termination of contract by our customers during the contract period may result in us being unable to realise the full contract value of the agreement. If there are significant amount of such cancellations, our financial performance may be adversely affected as we may not be able to achieve the expected financial results.

8.3 RISKS RELATING TO INVESTMENT IN OUR SHARES**8.3.1 No prior market for our Shares and it is uncertain whether a sustainable market will ever develop**

Prior to our IPO, there has been no public shares for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or if developed, that such a market will be sustainable. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the selling prices at which holders would be able to obtain for our Shares.

We, our Promoters and the Selling Shareholder have no obligation to cause our Shares to be marketable. The Issue Price was determined after taking into consideration various factors and these factors could cause our Share price to fluctuate which may adversely affect the market price of our Shares.

There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and that the market price of our Shares will not decline below the Issue Price.

8.3.2 Capital market risks and share price volatility

The performance of capital market is very much dependent on external factors such as the performance of the regional and global stock market and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes in capital market, thus adding risks to the market price of our listed Shares. Nevertheless, the profitability of our Group is not dependent on the performance of the capital market as the business activities of our Group have no direct correlation with the performance of securities listed in the capital market.

Our Shares could trade at prices lower than the Issue Price depending on various factors, including current economic, financial and fiscal condition in Malaysia, our operations and financial results and the price volatility in the markets for securities in similar or related industry in Malaysia or emerging markets. There is no assurance that any market for our Shares will not

8. RISK FACTORS (CONT'D)

be disrupted by price volatility or other factors, which may have a material adverse effect on the market price of our Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:

- (i) variation in our results and operations;
- (ii) success or failure in our management team in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events and factors;
- (v) additions or departures of our key management personnel;
- (vi) fluctuations in stock market prices and volumes; or
- (vii) involvement in litigation.

In addition, many of the risks described herein could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade lower than the original issue price of our Shares.

8.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in Section 4.1.1 of this Prospectus, our Promoters will collectively hold in aggregate 51.80% of our enlarged issued share capital after our Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and / or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders.

8.3.4 The sale or the possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares

Following the completion of our IPO and Listing, approximately 35% of our enlarged issued share capital will be publicly held by investors participating in our IPO, while approximately 65% of our enlarged issued share capital, will be held by our Promoters, substantial shareholders, Offerors and Pre-IPO Investors.

It is possible that our Promoters, substantial shareholders, Offerors and Pre-IPO Investors may dispose of some or all of their Shares after their respective moratorium period, pursuant to their own investment objectives. If our Promoters, substantial shareholders, Offerors and Pre-IPO Investors sell, or are perceived as intending to sell, a substantial amount of our Shares, the market price of our Shares could be adversely affected.

8. RISK FACTORS (CONT'D)

8.3.5 Delay in or cancellation of our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

- (i) Our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations under such agreement;
- (ii) Our inability to meet the minimum public spread requirement under the Listing Requirements of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 200 public shareholders holding at least 100 Shares each at the point of our Listing; or
- (iii) The revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest within 14 days.

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be redeemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules to the extent that our IPO Shares form part of our share capital. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (aa) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (bb) a solvency statement from the directors.

9. RELATED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

Under the Listing Requirements, a “**related party transaction**” is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A “**related party**” of a listed issuer (not being a special purpose acquisition company) is:

- (i) A director, having the meaning given in subsection 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) A major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that shares on the aggregate of the nominal amounts of those shares is:
 - (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation;
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation;
or
- (iii) A person connected with such director or major shareholder.

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9. RELATED PARTY TRANSACTIONS (CONT'D)

9.1.1. Our Group's Related Party Transactions

Save as disclosed below, our Group has not entered into nor proposes to enter into any related party transactions for the Financial Years Under Review and for the subsequent financial period up to the LPD:

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature Interest Related Party	Nature of transaction	Transaction Value (RM'000)					Up to the LPD
						FYE 2017	FYE 2018	FYE 2019	FYE 2020		
(i)	Rams Malaysia and Tan Chee Seng	Tan Chee Seng	Promoter, substantial shareholder and Director	Owner of the property	Rams Malaysia is renting from Tan Chee Seng its office premise located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	(1) -	27 / 0.39% of our PAT	45	
(ii)	Rams Malaysia and Lee Miew Lan	Lee Miew Lan	Promoter, substantial shareholder and Director	Owner of the property	Rams Malaysia is renting from Lee Miew Lan its office premise located at B-04-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	(2) -	21 / 0.30% of our PAT	35	
(iii)	Rams Malaysia and Feets Malaysia	Wong Loong	Substantial shareholder	Substantial shareholder	Rams Malaysia is sub-letting to Feets Malaysia part of its office premise located at B-03-05, Block B, Tamarind Square, 63000 Cyberjaya, Selangor	-	-	-	-	(3) 14	

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000)				Up to the LPD
						FYE 2017	FYE 2018	FYE 2019	FYE 2020	
(iv)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁴⁾	Springbok Consulting provided management and support services to Rams Malaysia ⁽⁵⁾	100 / 3.77% of our administrative expenses	60 / 2.55% of our administrative expenses	-	-	-
(v)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁴⁾	Advances from Rams Malaysia to Springbok Consulting Sdn Bhd	135 / 4.52% of our NA	401 / 33.62% of our NA	-	-	(6) -
(vi)	Rams Malaysia and Springbok Consulting Sdn Bhd	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁴⁾	Repayment from Springbok Consulting Sdn Bhd to Rams Malaysia	-	-	(7) 18 / 9.23% of our NL	-	(6) -
(vii)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁸⁾	Rams Malaysia provided management services to Feets Malaysia in relation to the mobile application development of Feet's	-	(9) 60 / 5.48% of our NA	-	-	-
(viii)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁸⁾	Rams Malaysia underwent R&D for the mobile application development of Feet's that was charged to Feets Malaysia	-	(10) 2,126 / 194.16% of our NA	-	-	-

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest Related Party	Nature of transaction	Transaction Value (RM'000)				Up to the LPD
						FYE 2017	FYE 2018	FYE 2019	FYE 2020	
(ix)	Rams Malaysia and Feets Malaysia	Tan Chee Seng and Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders ⁽⁸⁾	Advances from Rams Malaysia to Feets Malaysia	30 / 1.00% of our NA	499 / 45.57% of our NA	-	-	(6) -
(x)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors ⁽¹¹⁾	314 / 10.51% of our NA	11 / 1.00% of our NA	-	-	(12) -
(xi)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors ⁽¹¹⁾	-	314 / 28.68% of our NA	-	-	(12) -
(xii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors ⁽¹¹⁾	25 / 0.84% of our NA	412 / 37.63% of our NA	37 / 18.97% of our NL	-	(12) -
(xiii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors ⁽¹¹⁾	-	-	89 / 45.64% of our NL	-	(12) -
(xiv)	Rams Malaysia	Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances to Directors ⁽¹¹⁾	28 / 0.94% of our NA	-	-	-	(12) -
(xv)	Rams Singapore	Lee Miew Lan	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment from Directors ⁽¹¹⁾	15 / 0.50% of our NA	-	-	-	(12) -

9. RELATED PARTY TRANSACTIONS (CONT'D)

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest Related Party	Nature of transaction	of	Transaction Value (RM'000)				Up to the LPD
							FYE 2017	FYE 2018	FYE 2019	FYE 2020	
(xvi)	Rams Malaysia	Nguyen Minh ⁽¹³⁾	Former director and shareholder	Former director and shareholder	Advances to Directors		-	-	-	-	(12) -
(xvii)	Rams Singapore	Nguyen Minh ⁽¹³⁾	Former director and shareholder	Former director and shareholder	Repayment to Directors		-	-	-	-	(12) -

Save as disclosed below in the notes, our Directors confirm that all the related party transactions outlined above between the Group and the Directors and / or substantial shareholders of the Company and / or persons connected to them were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are not detrimental to our minority shareholders.

Notes:

- (1) *This tenancy agreement was entered into between Rams Malaysia and Tan Chee Seng on 1 September 2019 and has expired on 28 February 2021. Rams Malaysia has not made any rental payment as Tan Chee Seng had granted Rams Malaysia under the terms of this tenancy agreement a free-rental-period of 6 months from 1 September 2019 to 31 March 2020 and such period has subsequently been extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement on 28 February 2021, a new tenancy agreement was entered into on 1 March 2021 for a tenure of one (1) year on the same terms, with Rams Malaysia and Tan Chee Seng having the option to extend the tenure of the tenancy granted for a further year. Details on the salient terms of the new tenancy agreement are set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.*
- (2) *This tenancy agreement was entered into between Rams Malaysia and Lee Miew Lan on 1 September 2019 and has expired on 28 February 2021. Rams Malaysia has not made any rental payment as Lee Miew Lan had granted Rams Malaysia under the terms of this tenancy agreement a free-rental-period of 6 months from 1 September 2019 to 31 March 2020 and such period has subsequently been extended to 30 September 2020 due to the COVID-19 pandemic. Following the expiry of the tenancy agreement on 28 February 2021, a new tenancy agreement was entered into on 1 March 2021 for a tenure of one (1) year on the same terms, with Rams Malaysia and Lee Miew Lan having the option to extend the tenure of the tenancy granted for a further year. Details on the salient terms of the new tenancy agreement is set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.*

9. RELATED PARTY TRANSACTIONS (CONT'D)

- (3) This sub-tenancy agreement was entered into between Feets Malaysia and Rams Malaysia on 1 March 2021 for a tenure of one (1) year, with Feets Malaysia and Rams Malaysia having the option to extend the tenure of the tenancy granted at their mutual agreement. Details on the salient terms of the sub-tenancy agreement are set out in Section 6.22.2 of this Prospectus. This transaction was made at arm's length as the monthly rental rate is within the monthly market rental rate as set out in Section 6.22.2 of this Prospectus.
- (4) Tan Chee Seng and Lee Miew Lan has disposed all their equity interest in Springbok Consulting Sdn Bhd to a third party on 18 July 2019 and resigned as directors on 7 August 2019.
- (5) On 1 August 2017, Rams Malaysia and Springbok Consulting Sdn Bhd entered into a management and administrative services agreement in which Springbok Consulting provides to Rams Malaysia services such as safekeeping of Rams Malaysia's records, assisting Rams Malaysia in sales and marketing activities, providing general consultation services regarding IT matters and other general administrative services (including accounting services, HR and absence management system) a monthly fee of RM20,000 based on rate of man days. These transactions were made at arm's length as the rate of man days is within the range of rates we would normally charge our clients. This agreement has since been effectively terminated on 31 March 2018.
- (6) Other than the amount owing by related parties of RM2.06 million in the FYE 2017 and RM0.55 million in the FYE 2018, there was no other amount owing by related parties of our Group. The amounts owing by Feets Malaysia for FYE 2018 and FYE 2019 was eliminated following its acquisition by Rams Malaysia at the end of FYE 2018. These amounts were not made on arm's length basis as they were non-trade related, unsecured, interest free and receivable on demand. As at the LPD, we do not have any amount owing by any related parties.
- (7) In the FYE 2019, the amount owing by Springbok Consulting Sdn Bhd was settled in full in FYE 2019 via repayment to Rams Malaysia amounting to RM0.02 million and the remaining amounts settled by Tan Chee Seng on behalf of Springbok Consulting Sdn Bhd.
- (8) On 2 June 2020, Tan Chee Seng and Lee Miew Lan has transferred their entire equity interest in Feets Malaysia to Wong Kum Loong, a substantial shareholder of our Company at RM1.00 per share as he saw potential growth in the employee engagement mobile application, Feet's. The consideration of RM1.00 per share of Feets Malaysia was arrived at based on the negative equity position of Feets Malaysia since incorporation. As at the LPD, Tan Chee Seng and Lee Miew Lan are directors of Feets Malaysia.
- (9) Rams Malaysia provided management services to Feets Malaysia in relation to the mobile application development of Feet's. This transaction was made at arm's length as it was based on rate of man days which is within the range of rates we would normally charge our clients.
- (10) This transaction comprises of work done performed by independent third parties appointed by Rams Malaysia and staff of Rams Malaysia. However, the staff salaries of Rams Malaysia which was incurred and charged back to Feets Malaysia was not entered into at arm's length as Rams Malaysia did not charge a mark-up over the staff salaries.
- (11) These advances to and repayment from Tan Chee Seng and Lee Miew Lan were not made on arm's length basis as they were interest-free, unsecured and receivable on demand. As at the LPD, these advances were fully paid by Tan Chee Seng and Lee Miew Lan. Moving forward, our Group will not be providing any such advances including loans and guarantees of any kind to our Directors or for benefit of their related parties.

9. RELATED PARTY TRANSACTIONS (CONT'D)

- (12) Other than the amount owing by our Directors of RM0.55 million in the FYE 2017 and RM0.06 million in the FYE 2018, there was no other amount owing by our Directors of our Group. These amount relates to the advances to our Directors and have been settled in full during the FYE 2019. These amount are non-trade related, unsecured, interest free and receivable on demand. As at the LPD, we do not have any amount owing by any of our Directors. These amount have been settled in full during the FYE 2019 via repayment from Directors and declaration of dividends to Tan Chee Seng for the FYE 2018 and FYE 2019 respectively. Nonetheless, the advances to Lee Miew Lan was offset against amount owing to Lee Miew Lan from FYE 2016 by Rams Malaysia and the repayment from Lee Miew Lan to Rams Singapore was for the settlement of the outstanding amounts from FYE 2016.
- (13) Nguyen Dinh Minh ceased to be a director and shareholder of Rams Malaysia on 9 June 2017 and 6 June 2018 respectively. He ceased to be a director and shareholder of Rams Singapore on 1 July 2017 and 1 April 2019 respectively. The advance to and repayment from Nguyen Dinh Minh were not made on arm's length basis as they were interest-free, unsecured and receivable on demand. As at the LPD, the advance has been fully paid by Nguyen Dinh Minh.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Directors have confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and / or any of our Subsidiaries was a party in the Financial Years Under Review and from the subsequent financial period up to the LPD.

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9. RELATED PARTY TRANSACTIONS (CONT'D)

9.3 LOANS AND / OR FINANCIAL ASSISTANCE TO OR FOR THE BENEFIT OF RELATED PARTIES

9.3.1 Outstanding loans and / or balances

Save as disclosed below and in Section 9.1.1 of this Prospectus, our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) and financial assistance that have been granted by our Company and / or any of our subsidiaries to or for the benefit of the related parties for the Financial Years Under Review and from the subsequent financial period up to the LPD.

No.	Transacting parties	Interested Promoter / Substantial Shareholder / Director	Interest in Our Group	Nature of Interest in Related Party	Nature of transaction	Transaction Value (RM'000)				
						FYE 2017	FYE 2018	FYE 2019	FYE 2020	Up to the LPD
(i)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances Directors ⁽¹⁾ from	-	-	1,786 / 915.90% of our NL	-	(2) -
(ii)	Rams Malaysia	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment to Directors ⁽¹⁾	5 / 0.17% of our NA	-	185 / 94.87% of our NL	1,963 / 29% of our NA	(2) -
(iii)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Advances Directors ⁽¹⁾ from	-	-	300 / 153.85% of our NL	-	(2) -
(iv)	Rams Thailand	Tan Chee Seng	Promoter, substantial shareholder and Director	Directors and substantial shareholders	Repayment to Directors ⁽¹⁾	-	-	1,030 / 528.21% of our NL	152 / 2.25% of our NA	(2) -

Notes:

(1) These advances from and repayments to Tan Chee Seng were not made on arm's length basis as they were interest-free, unsecured and repayable on demand. As at the LPD, there are no amounts owing to Tan Chee Seng from Rams Malaysia and from Rams Thailand. Moving forward, our Group will not be providing any such advances including loans and guarantees of any kind to our Directors or for benefit of their related parties.

9. RELATED PARTY TRANSACTIONS (CONT'D)

- (2) *Other than the amount owing to our Director of RM0.03 million both in the FYE 2017 and FYE 2018, and RM2.12 million in the FYE 2019, there were no other amount owing to our Director of our Group. These amount are non-trade related, unsecured, interest free and repayable on demand. As at the LPD, there are no amounts owing to a director.*

These non-trade related party balances under Sections 9.3.1 and 9.3.2 of this Prospectus were not made on an arm's length basis as it does not carry interest. Moving forward, our Group will not provide any non-trade related advances to our Directors and related parties.

9.3.2 Guarantees

Tan Chee Seng and Lee Miew Lan had extended personal guarantees for financing facilities granted to our Group, of which further details are set out in Section 12.3.4 of this Prospectus. We had sought consent from our financiers for the change in the shareholdings of Rams Malaysia in conjunction with the Acquisition and our Listing. Our financiers had granted their consent with the condition that the personal guarantees provided by Tan Chee Seng and Lee Miew Lan are to be replaced with corporate guarantee(s) by Ramssol. We have executed the necessary documents with respect to the provision of corporate guarantee(s) and have provided the same to our financiers. As at the LPD, our financiers are in the process of replacing the personal guarantees with corporate guarantee(s), which is subject to the success of our Listing. Save for Tan Chee Seng and Lee Miew Lan, none of our other Directors have provided any guarantees for any financing facilities of our Group.

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9. RELATED PARTY TRANSACTIONS (CONT'D)

9.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Upon Listing, our Board, through our Audit Committee, will ensure that any related party transactions (inclusive of recurrent related party transactions) are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our Group.

Our Audit Committee will supervise the terms of related party transactions and our Directors will report related party transactions, if any, annually in our Company's annual report. In the event there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his / her interest to our Board, of the details of the nature and extent of his / her interest, including all matters in relation to the proposed related party transactions that he / she is aware or should reasonably be aware of, which is not in our best interests. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transactions.

In the event there are any proposed related party transactions that require the prior approval of shareholders, the Directors, major shareholders and / or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and / or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his / her direct and / or indirect shareholdings. Such interested Directors and / or major shareholders will also undertake that he / she shall ensure that the persons connected with him / her will abstain from voting on the resolution approving the proposed related party transaction at the general meeting to be convened.

After our Listing and in accordance with the Listing Requirements, our Company will be required to seek shareholders' approval each time our Group enters into material related party transactions. However, if a related party transaction is deemed as a recurrent related party transaction, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time it wishes to enter into such related party transactions during the validity period of the mandate.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS OR CONFLICT OF INTEREST

As at the LPD, none of our Directors and / or substantial shareholders have any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade to that of our Group or which are the customers and / or suppliers of our Group save and except as disclosed below:

Name of customers	Principal activities	Nature of interest
Top Quality Glove Sdn Bhd ("TQGSB")	Manufacturing and trading of gloves, rubber products and cast polyethylene products	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TQGSB (by virtue of his shareholdings in Top Glove Corporation Bhd) ⁽¹⁾ and TQGSB is a customer of Feets Malaysia
Top Glove Sdn Bhd ("TGSB")	Manufacturing and trading of gloves	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGSB (by virtue of his shareholdings in Top Glove Corporation Bhd) ⁽¹⁾ and TGSB is a customer of Feets Malaysia
Top Glove International Sdn Bhd ("TGISB")	<ul style="list-style-type: none"> • R&D on gloves and rubber goods; • Manufacturing and trading of gloves; and • Provision of analytical services 	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGISB (by virtue of his indirect shareholdings in TGSB via Top Glove Corporation Bhd) ⁽¹⁾ and TGISB is a customer of Feets Malaysia
TG Medical Sdn Bhd ("TGMSB")	Manufacturing and trading of examination, surgical and nitrile gloves, general trading and investment holding	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of TGMSB (by virtue of his shareholdings in Top Glove Corporation Bhd) ⁽¹⁾ and TGMSB is a customer of Feets Malaysia
Flexitech Sdn Bhd ("FSB")	Manufacturing of gloves, general trading, and property investment	Tan Sri Dr Lim Wee Chai is a substantial shareholder of our Company, and a director and indirect shareholder of FSB (by virtue of his indirect shareholdings in TGSB via Top Glove Corporation Bhd) ⁽¹⁾ and FSB is a customer of Feets Malaysia

Note:

(1) As at the LPD, the shareholdings of Tan Sri Dr Lim Wee Chai in Top Glove Corporation Bhd is tabulated as follows:

Direct		Indirect	
No. of shares	%	No. of shares	%
2,147,856,156	26.83	*680,191,448	8.50

* Deemed interested through his wife, Puan Sri Tong Siew Bee, his brother, Mr Lim Hooi Sin, his son, Mr Lim Jin Feng, his direct interest in Firstway United Corp, of being the spouse of Puan Sri Tong Siew Bee who has direct interest in Top Fortress Ventures Limited and his direct interest in TS Dr Lim WC (L) Foundation.

10. CONFLICT OF INTEREST (CONT'D)

Our Board is of the view that the above interests do not give rise to a conflict of interest situation on the following basis:

- (i) Tan Sri Dr Lim Wee Chai is an investor in our Company and he has no board representation on our Group and / or is involved in our management and operation; and
- (ii) the pricing of the products and services offered by our Group to Top Glove Corporation Bhd's group of companies are on arms-length basis.

10.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTEREST

Upon Listing, our Board, our Audit Committee and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations and all Directors, substantial shareholders and key senior management will disclose such conflict of interest situations, if any, to our Audit Committee and Risk Management Committee for resolution as and when they arise.

In order to mitigate any possible conflict of interest situation, our Directors, substantial shareholders and key senior management will declare to our Board, our Audit Committee and Risk Management Committee of their interests in other companies at the onset and as and when there are changes in their respective interests in other companies outside our Group. Our Audit Committee and Risk Management Committee will then evaluate if such involvement by our Directors, substantial shareholders and key senior management gives rise to a potential conflict of interest situation with our Group's business. When a determination has been made that there is a conflict of interest of a Director(s), substantial shareholder(s) and / or key senior management, our Audit Committee and Risk Management Committee will:

- (i) immediately inform our Board of the conflict of interest situation; and
- (ii) make recommendations to our Board to direct the conflicted Director(s), substantial shareholder(s) and / or key senior management to:
 - (a) withdraw from all his / her executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director and / or substantial shareholder is an Executive Director). After his withdrawal, he / she will remain in the said executive position to perform his / her executive role in matters that will not give rise to conflict of interest situation; and
 - (b) abstain from all Board deliberation and involvements in matters where he / she has a conflict of interest situation. The conflicted Director(s) shall also abstain from any Board discussions relating to the recommendation of our Audit Committee and Risk Management Committee and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director(s) may however, at the request of our Audit Committee and Risk Management Committee, be present at our meeting for the purposes of answering any questions. The conflicted Director(s) shall also abstain from voting in respect of his / her direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened.

In circumstances where a Director is deemed to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his / her fiduciary duties and responsibilities to our Group, our Nomination Committee may determine if the resignation of the conflicted Director from our Board will be appropriate and necessary.

10. CONFLICT OF INTEREST (CONT'D)

- (iii) to identify the person(s) connected to the conflicted Director, substantial shareholder and / or key senior management (if any) and review any business dealings with such person(s) to establish whether a conflict of interest situation arises. Thereafter, the conflicted Director, substantial shareholder and / or key senior management shall undertake to ensure that persons connected to him / her shall abstain from voting in respect of their direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened. The Audit Committee and Risk Management Committee shall also continue to monitor such business dealings to ensure that they are conducted on arms' length basis and based on terms that are favourable to our Group.

10.3 DECLARATION BY EXPERTS**10.3.1 Declaration by Kenanga IB**

Kenanga IB confirms that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

10.3.2 Declaration by Chooi & Company + Cheang & Ariff

Chooi & Company + Cheang & Ariff confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO.

10.3.3 Declaration by Crowe Malaysia PLT

Crowe Malaysia PLT confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

10.3.4 Declaration by Smith Zander International Sdn Bhd

Smith Zander International Sdn Bhd confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

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11. APPROVALS AND CONDITIONS

11.1 APPROVALS FROM RELEVANT AUTHORITIES**11.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 9 April 2021, approved:

- (i) the admission of our Company to the Official List of the ACE Market of Bursa Securities;
- (ii) the listing of and quotation for our entire enlarged issued share capital on the ACE Market; and
- (iii) the Company's application from complying with Paragraph 3.12(2) of the ACE Market Listing Requirements for the conversion price of the Class A RCPS.

The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the promoters to Bursa Depository <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. 	To be complied before Listing
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	Make the relevant announcements pursuant to Paragraph 8.1 and 8.2 of Guidance Notes 15 of ACE Listing Requirements;	To be complied before Listing
4.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire enlarged issued share capital of Ramssol on the first day of listing;	To be complied upon Listing
5.	Ensure any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to the listing of the Company;	Complied
6.	In relation to the public offering to be undertaken by Ramssol, to announce at least 2 market days prior to the listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment / allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of Bursa Securities' approval letter; and (iv) Disclosure of placees who become substantial shareholders of Ramssol arising from the public offering, if any. 	To be complied before Listing

11. APPROVALS AND CONDITIONS (CONT'D)

Kenanga IB to ensure that the overall distribution of Ramssol's securities is properly carried out to mitigate any disorderly trading in the secondary market; and

- | | | |
|----|--|-----------------------------|
| 7. | Ramssol / Kenanga IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon admission of Ramssol to the Official List. | To be complied upon Listing |
|----|--|-----------------------------|

11.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 10 May 2021, approved the resultant equity structure of our Company pursuant to our Listing under the equity requirement for public listed companies.

The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Ramssol to allocate at least 12.5% of its enlarged issued share capital to Bumiputera investors to be approved by Ministry of International Trade and Industry Malaysia within one (1) year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Malaysia Securities Berhad or five (5) years after being listed on the ACE Market of Bursa Malaysia Securities Berhad, whichever is earlier (" Compliance Date ");	To be complied
2.	Ramssol to submit to the SC a proposal to comply with the equity condition stated in paragraph 1 above, at least six (6) months prior to the Compliance Date; and	To be complied
3.	Kenanga Investment Bank Berhad or Ramssol to submit Ramssol's equity structure to the SC upon completion of the Listing.	To be complied

11.2 MORATORIUM ON SALE OF SHARES

In compliance with Rule 3.19 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (i) the moratorium applies to our Promoters' entire shareholdings for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, the Promoters' aggregate shareholdings amounting to at least 45.0% of our enlarged issued share capital remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and
- (iii) upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one-third (1 / 3) per annum (on a straight-line basis) of their Shares held under moratorium.

11. APPROVALS AND CONDITIONS (CONT'D)

Details of our Shares which will be subject to moratorium are as follows:

Name	(First 6-Month Moratorium)		(Second 6-Month Moratorium)	
	No. of Shares held	% of enlarged issued share capital ⁽¹⁾	No. of Shares held	% of enlarged issued share capital ⁽¹⁾
Tan Chee Seng	74,185,597	33.26	65,331,113	29.29
Lee Miew Lan	39,791,398	17.84	35,042,062	15.71
Tan Eng Hua ⁽²⁾	223,600	0.10	223,600	0.10
Ong Bee Geok ⁽²⁾	223,600	0.10	223,600	0.10
Tan Chee Boon ⁽²⁾	223,600	0.10	223,600	0.10
Lee Mun Keong ⁽²⁾	223,600	0.10	223,600	0.10
Chan Kwai Chee ⁽²⁾	223,600	0.10	223,600	0.10
Lai Wai Fun ⁽²⁾	447,200	0.20	447,200	0.20
Total	115,542,195	51.80	101,938,375	45.70

Notes:

- (1) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.
- (2) Related Parties are subject to 12 months moratorium period as stated in the RCPS subscription agreements entered into between our Company and the Related Parties.

In addition to the moratorium to be complied by the Promoters, Wong Kum Loong, Liew Yu Hoe and the Pre-IPO Investors (except the Related Parties) are also subject to voluntary moratorium for a period of 12 months from the Listing Date ("**First 1-year Moratorium**")

Details of our Shares which will be subject to voluntary moratorium are as follows:

Name	(First 1-Year Moratorium)	
	No. of Shares held	% of enlarged issued share capital ⁽¹⁾
Wong Kum Loong	8,853,600	3.97
Liew Yu Hoe	3,645,405	1.63
Pre-IPO Investors (except the Related Parties) ⁽²⁾	16,946,300	7.60
Total	29,445,305	13.20

Notes:

- (1) Based on the enlarged issued share capital of 223,051,500 Shares after our IPO.
- (2) 32 individuals comprising 25 Class A RCPS holders which have subscribed between 15,000 Class A RCPS to 2,000,000 Class A RCPS and 7 Class B RCPS holders which have subscribed between 30,000 Class B RCPS to 130,000 Class B RCPS.

Tan Chee Seng, Lee Miew Lan and the Related Parties have provided written undertakings to Bursa Securities that they will not sell, transfer or assign any part of their interest in the Shares during the moratorium period. However, the moratorium imposed on the Pre-IPO Investors have already been included in the RCPS subscription agreements entered into between our Company and the Pre-IPO Investors, respectively.

The above moratorium restriction is specifically endorsed on the share certificates representing the Shares held by our Promoters which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restriction.

12. FINANCIAL INFORMATION

12.1 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION



31 MAY 2021

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998

The Board of Directors
Ramssol Group Berhad
B-04-05, Tamarind Square,
Persiaran Multimedia, Cyber 10,
63000 Cyberjaya, Selangor.

Dear Sirs

RAMSSOL GROUP BERHAD. ("THE COMPANY" OR "RAMSSOL") REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

We have completed our assurance engagement to report on the compilation of pro forma statements of financial position of Ramssol Group Berhad and its combining entity, Rams Solutions Sdn. Bhd. and its subsidiaries (collectively known as "the Group") as at 31 December 2020 prepared by the Board of Directors of the Company. The pro forma statements of financial position as at 31 December 2020 for the financial year then ended together with the accompanying notes thereon as set out in Appendix A, for which we have stamped for the purpose of identification. The pro forma statements of financial position and related notes have been compiled for inclusion in the prospectus of Ramssol, in connection with its listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The applicable criteria on the basis of which the Board of Directors of Ramssol have compiled the pro forma statements of financial position are set out in Note 2 of Appendix A, and are in accordance with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The pro forma statements of financial position have been compiled by the Board of Directors to illustrate the effects of the events or transactions as set out in Note 2.3 of Appendix A of this letter on the Group's financial position as at 31 December 2020.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited combined financial statements of the Group for the financial year ended 31 December 2020.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the pro forma statements of financial position on the basis as described in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

12. FINANCIAL INFORMATION (CONT'D)**REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* issued by The International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines issued by the Securities Commission Malaysia, about whether the pro forma statements of financial position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in Note 2 of Appendix A of the pro forma statements of financial position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma statements of financial position on the basis as described in Note 2 of Appendix A in the pro forma statements of financial position and in accordance with the requirements of the Prospectus Guidelines.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma statements of financial position.

The purpose of pro forma statements of financial position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma statements of financial position has been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

12. FINANCIAL INFORMATION (CONT'D)



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma financial information have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the pro forma statements of financial positions of the Group have been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTERS

This letter has been prepared solely for the purpose of inclusion in the Prospectus of Ramssol in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

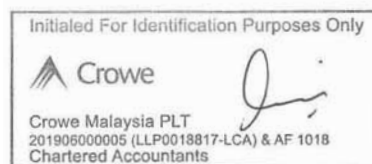
A stylized signature of the firm name "Crowe" in a cursive script.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

A handwritten signature in black ink, appearing to read "Ho Yen Ling".

Ho Yen Ling
03378/06/2022 J
Chartered Accountant

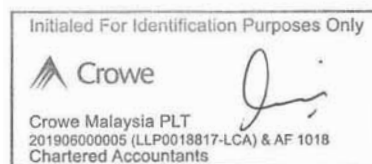
12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Acquisition	:	Acquisition by Ramssol of the entire equity interest in Rams Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad
Company or Ramssol	:	Ramssol Group Berhad [Registration No: 201901001120 (1310446-A)]
FYE 2020	:	Financial year ended 31 December 2020
Feets Indonesia	:	PT Feets Tech Indo (AHU-0010575.AH.01.11.Tahun 2019)
Feets Malaysia	:	Feets Sdn. Bhd. [Registration No. 201701021208 (1235374-D)]
Group	:	Ramssol, Rams Malaysia and Subsidiaries
IPO	:	Initial public offering comprising the Public Issue and the Offer for Sale, collectively
IPO Price	:	The issue price/offer price of RM0.45 per Issue Share/Offer Share
Issue Share(s)	:	55,760,000 new Ramssol Share(s) to be issued at the IPO Price pursuant to the Public Issue
LPD	:	24 May 2021, being the latest practicable date prior to the registration of the Prospectus with the SC
NA	:	Net assets
Offer Share(s)	:	22,304,000 existing Ramssol Share(s) to be offered at the IPO Price by the Selling Shareholders pursuant to the Offer for Sale
Listing	:	Admission to the Official List and the listing and quotation of the entire enlarged issued share capital of Ramssol on the ACE Market of Bursa Securities
Promoters	:	Tan Chee Seng, Lee Miew Lan and the Related Parties
Public Issue	:	The invitation by the Company to the public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of the Prospectus.

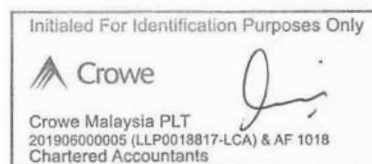
12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

Public Issue Shares	:	Public issue of 55,760,000 Issue Shares at the IPO Price comprising the following:
		(a) 11,200,000 new shares available for application by the Malaysian public;
		(b) 5,600,000 new shares available for application by eligible Directors, employees and business associates of the Group; and
		(c) 38,960,000 new shares available for private placement to selected investors.
Rams Indonesia	:	PT RAMS Solutions Nusanatara (AHU.0010582.AH.01.11.Tahun 2019)
Rams Malaysia	:	RAMS Solutions Sdn. Bhd. [Registration No. 201001027162 (911081-K)]
Rams Malaysia Group	:	RAMS Solutions Sdn. Bhd. and its subsidiaries
Rams Singapore	:	Risorsa Umana Solutions Pte Ltd (201020340N)
Rams Thailand	:	RAMS Solutions Co., Ltd (0105558028423)
Rams Vietnam	:	Risorsa Umana Solutions Vietnam Company Limited (0312238022)

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

1. ABBREVIATION (CONT'D)

Related Parties : The following holders of Class B RCPS whom are persons connected to Tan Chee Seng and Lee Miew Lan:

Name	Relationship	Number of Shares upon Conversion of Class B RCPS and after subdivision of shares
Tan Eng Hua	Father of Tan Chee Seng	223,600
Ong Bee Geok	Mother of Tan Chee Seng	223,600
Tan Chee Boon	Brother of Tan Chee Seng	223,600
Lee Mun Keong	Father of Lee Miew Lan	223,600
Chan Kwai Chee	Mother of Lee Miew Lan	223,600
Lai Wai Fun	Sister-in-law of Lee Miew Lan	447,200

RCPS : Redeemable Convertible Preference Shares

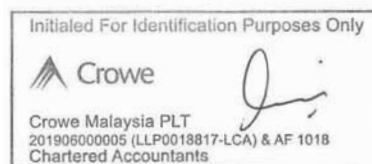
SC : Securities Commission of Malaysia

Selling Shareholder(s) : Collectively, Tan Chee Seng, Lee Miew Lan, Wong Kum Loong, and Liew Yu Hoe undertaking the Offer for Sale

Share(s) or Ramssol Share(s) : Ordinary shares in the Company

Subsidiaries : Rams Singapore, Rams Thailand, Rams Indonesia, Rams Vietnam, Feets Malaysia and Feets Indonesia collectively.

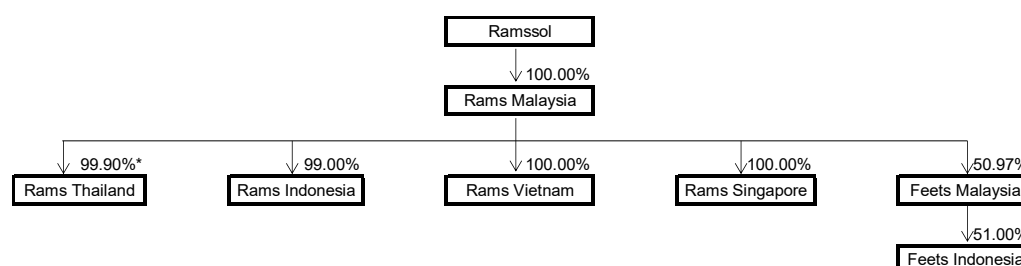
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12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2. PRO FORMA GROUP AND BASIS OF PREPARATION**2.1 Pro Forma Group**

The pro forma corporate structure of the Group, pursuant to the completion of the Acquisition and Rams Malaysia in becoming a wholly-owned subsidiary of the Company, is as follows:-



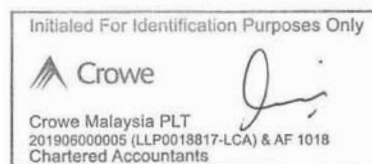
* Pursuant to the laws of Thailand, it is a requirement that the majority shareholdings of a company incorporated in Thailand shall be held by a Thai shareholder and that it has at least 3 shareholders. As such, this requirement has been complied with by Rams Thailand as 51% of the equity interest in the form of preference shares in Rams Thailand is currently held by Narathip Phopikul, a Thai national, as set out below:-

Shareholders	Number of shares	%	Rights to dividend	Dividend entitlement (%)
Ordinary Shares				
Rams Malaysia	9,600	48.00	THB1 per 1 share	97.90
Tan Chee Seng	200	1.00	THB1 per 1 share	2.00
Preference Shares				
Narathip Phopikul	10,200	51.00	THB1 per 1,000 preference shares	0.10
Total	20,000	100.00		100.00

Based on the shareholders' rights to dividend as set out in Articles 6 of the Articles of Association of Rams Thailand, Narathip Phopikul is entitled to receive a dividend of THB 1 for every 1,000 preference shares held, whereas Rams Malaysia and Tan Chee Seng are entitled to receive a dividend of THB 1 for every 1 ordinary share held. Further, Tan Chee Seng has also assigned his rights to dividend in Rams Thailand to Rams Malaysia. Accordingly, Narathip Phopikul is only entitled to 0.10% of the dividends to be declared by Rams Thailand, whilst Rams Malaysia (including Tan Chee Seng's assigned dividends) is entitled to 99.90% of the dividends to be declared by Rams Thailand.

2.2 Basis of Preparation

The Pro Forma Statements of Financial Position of the Group have been prepared for illustration purposes using the audited combined financial statements of the Group as at 31 December 2020 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRS") and are not subject to any qualification, modification or disclaimer.

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

**RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)**2.2 Basis of Preparation (Cont'd)**

The combined financial statements of the Group for the financial year ended 31 December 2020 are the combination or aggregation of all the financial statements of the company in the Group and have been prepared based on the separate financial statements as follows:-

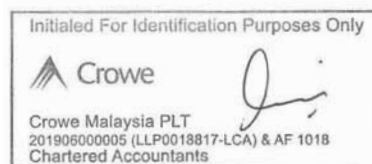
Company	Accounting Standards Applied	Auditor
Ramssol	MFRSs	Crowe Malaysia PLT
Rams Malaysia	MFRSs	Crowe Malaysia PLT
Rams Singapore	IFRSs	Crowe Malaysia PLT
Rams Vietnam	IFRSs	Crowe Vietnam Co., Ltd
Rams Thailand	IFRSs	ANS Audit Co., Ltd
Feets Malaysia	MFRSs	Crowe Malaysia PLT
Rams Indonesia	Indonesian Financial Accounting Standards	Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan
Feets Indonesia	Indonesian Financial Accounting Standards	Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan

Note:

MFRSs = Malaysian Financial Reporting Standards

IFRSs = International Financial Reporting Standards

The Pro Forma Statements of Financial Position of the Group have also been compiled in a manner consistent with both the format of the audited financial statements and accounting policies of the Group for the financial year ended 31 December 2020.

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)**2.2 Basis of Preparation (Cont'd)**

The financial position of Ramssol and Rams Malaysia Group uses the merger method as these companies are under common control by the same parties both before and after the acquisition of Rams Malaysia, and control is not transitory. When the merger method is used, the difference between the cost of investment recorded by Ramssol and the share capital of Rams Malaysia is accounted for as a merger deficit in the Pro Forma Statements of Financial Position, as follows:-

	RM'000
New shares issued by the Company as consideration for the acquisition of Rams Malaysia	1,313
Less: Issued and paid-up share capital of Rams Malaysia as at 31 December 2020	(500)
	<hr/>
Merger deficit impact	813
	<hr/>

2.3 Listing Scheme

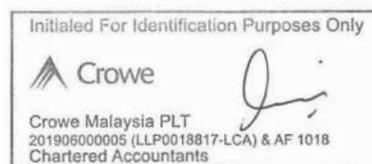
In conjunction with the Listing, the Company undertook the following:-

2.3.1 Acquisition

On 18 August 2020, the Company entered into a conditional Share Sale Agreement ("SSA") with the shareholders of Rams Malaysia to acquire the entire issued share capital of Rams Malaysia comprising 500,001 ordinary shares for a purchase consideration of RM1,313,070 which was fully satisfied by the issuance of new shares at an issue price of approximately RM0.3806 per Share. Upon acquisition, shares of the Company will increase from 10,000 to 3,460,000 number of shares.

The purchase consideration of Rams Malaysia of RM1,313,070 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration the audited NA position of Rams Malaysia as at 31 December 2019 of RM1,313,256.

On 17 May 2021, the Company has completed the Acquisition and Rams Malaysia became a wholly-owned subsidiary of the Company. The issued shares of the Company increased from 10,000 ordinary shares to 3,460,000 ordinary shares.

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2 PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)**2.3 Listing Scheme (Cont'd)**

In conjunction with the Listing, the Company undertook the following (Cont'd):-

2.3.2 Conversion of RCPS

The RCPS comprises of:

- (i) 3,553,000 Class A RCPS which are offered to the business associates of Tan Chee Seng, Lee Miew Lan and the Group with a subscription price of RM1.00 per Class A RCPS. The Class A RCPS will be converted into new Shares at a conversion ratio of 100 Class A RCPS for 10 new Shares.
- (ii) 940,000 Class B RCPS that were issued by Ramssol to the Related Parties and other parties at a subscription price of RM1.00 per Class B RCPS. The Class B RCPS will be converted into new Shares at a conversion ratio of 100 Class B RCPS for 8 new Shares.

Included in the RCPS agreements entered by the respective parties with the Company between June 2019 to April 2020, a redemption clause is stated as follow:-

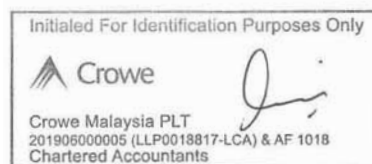
- (a) No Listing

In the event that there is no Listing within the two (2) years from the date of issuance of the RCPS, the holder of the RCPS shall be entitled the Company to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of 10% via cash consideration.

- (b) Listing cancelled by the Company

In the event the Company elects to cancel or withdraw the listing, at any time within the two (2) years from the date of issuance of the RCPS, the holder of the RCPS shall be entitled the Company to redeem, subject to compliance with applicable laws, all the outstanding RCPS at the subscription price for each RCPS together with an internal rate of return of 10% via cash consideration.

On 21 May 2021, the Company has converted the RCPS into new ordinary shares. Based on the conversion, a recognition of the accrued interest up to 21 May 2021 had been reflected into the Pro Forma II. Following the completion of the conversion of RCPS, the issued share capital has increased from 3,460,000 Shares to 3,890,500 Shares.

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

2 PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)**2.3 Listing Scheme (Cont'd)**

In conjunction with the Listing, the Company undertook the following (Cont'd):-

2.3.3 Subdivision of Shares

On 24 May 2021, the Company has completed its subdivision of issued shares for 1 existing ordinary share held by the registered shareholders into 43 new ordinary shares. The issued shares of the Company has increased from 3,890,500 ordinary shares to 167,291,500 ordinary shares.

2.3.4 IPO**(i) Public Issue**

Public issue of 55,760,000 Issue Shares, representing 25.00% of the enlarged total number of Shares, at the IPO Price, to be allocated in the following manner:-

- (a) 11,200,000 Issue shares, representing 5.02% of the enlarged total number of Shares, will be made available for application by the Malaysian public through a balloting process, of which 50.00% will be set aside for Bumiputera investors;
- (b) 5,600,000 Issue shares, representing 2.51% of the enlarged total number of Shares, will be made available for application by the eligible Directors, employees and business associates of the Group; and
- (c) 38,960,000 Issue shares, representing 17.47% of the enlarged total number of Shares, are made available for application by way of private placement to selected investors.

(ii) Offer for Sale

Concurrent with the Public Issue, the Selling Shareholders will offer 22,304,000 Offer Shares representing approximately 10.00% of the enlarged issued share capital by way of private placement to selected investors.

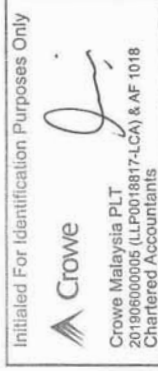
Upon completion of the Public Issue and Offer for Sale and before deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,990,000, the share capital will increase from RM6,220,234 comprising 167,291,500 Shares to RM31,312,234 comprising 223,051,500 Shares.

2.3.5 Listing

The Company shall be admitted to the official list and the entire enlarged share capital of approximately RM29,322,234 (after deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,990,000) comprising 223,051,500 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

12. FINANCIAL INFORMATION (CONT'D)

APPENDIX A



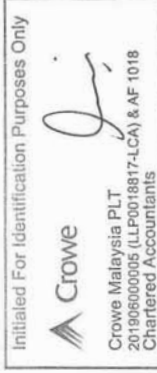
RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
 NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
 3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF RAMSSOL AS AT 31 DECEMBER 2020

	Note	As at 31 December 2020 [^] RM'000	Pro Forma I After Acquisition RM'000	Pro Forma II Upon RCPS conversion RM'000	Pro Forma III After Subdivision of Shares RM'000	Pro Forma IV After Public Issue RM'000	Pro Forma V After Utilisation of IPO Proceeds RM'000
ASSETS							
NON-CURRENT ASSETS							
Property and equipment	5.1	1,296	1,296	1,296	1,296	1,296	2,478
Investment property		768	768	768	768	768	768
Right-of-use assets		623	623	623	623	623	623
Development costs		725	725	725	725	725	725
		3,412	3,412	3,412	3,412	3,412	4,594
CURRENT ASSETS							
Inventories		240	240	240	240	240	240
Trade receivables		11,579	11,579	11,579	11,579	11,579	11,579
Other receivables, deposits and prepayments	5.2	1,666	1,666	1,666	1,666	1,666	865
Current tax assets		14	14	14	14	14	14
Cash and bank balances	5.3	2,844	2,844	2,844	2,844	27,936	11,351
		16,343	16,343	16,343	16,343	41,435	24,049
		19,755	19,755	19,755	19,755	44,847	28,643
TOTAL ASSETS							
EQUITY AND LIABILITIES							
EQUITY							
Share capital	5.4	510	1,323	6,220	6,220	31,312	29,322
Merger deficit	5.5	(260)	(1,073)	(1,073)	(1,073)	(1,073)	(1,073)
Foreign exchange translation reserve		246	246	246	246	246	246
Retained profits/(Accumulated loss)	5.6	8,326	8,326	8,166	8,166	8,166	(4,719)
Equity attributable to owners of the Company		8,822	8,822	13,559	13,559	38,651	23,776
Non-controlling interests		(2,055)	(2,055)	(2,055)	(2,055)	(2,055)	(2,055)
		6,767	6,767	11,504	11,504	36,596	21,721
TOTAL EQUITY							

[^] Extracted from the Group's audited combined financial statements for the FYE 31 December 2020

12. FINANCIAL INFORMATION (CONT'D)

APPENDIX A

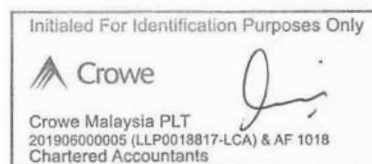


RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF RAMSSOL AS AT 31 DECEMBER 2020 (CONT'D)

	Note	As at 31 December 2020 ^A RM'000	Pro Forma I After Acquisition RM'000	Pro Forma II Upon RCPS conversion RM'000	Pro Forma III After Subdivision of Shares RM'000	Pro Forma IV After Public Issue RM'000	Pro Forma V After Utilisation of IPO Proceeds RM'000
NON-CURRENT LIABILITIES							
Lease liabilities		151	151	151	151	151	151
Term loans		1,758	1,758	1,758	1,758	1,758	1,758
Provision for employee benefits obligations	5.7	82	82	82	82	82	82
RCPS		4,737	4,737	-	-	-	-
		6,728	6,728	1,991	1,991	1,991	1,991
CURRENT LIABILITIES							
Trade payables		593	593	593	593	593	593
Other payables and accruals	5.8	3,424	3,424	3,424	3,424	3,424	2,095
Lease liabilities		341	341	341	341	341	341
Term loans		367	367	367	367	367	367
Short-term borrowings		1,203	1,203	1,203	1,203	1,203	1,203
Contract liabilities		136	136	136	136	136	136
Current tax liabilities		196	196	196	196	196	196
		6,260	6,260	6,260	6,260	6,260	4,931
TOTAL LIABILITIES		12,988	12,988	8,251	8,251	8,251	6,922
		19,755	19,755	19,755	19,755	44,847	28,643
TOTAL EQUITY AND LIABILITIES							
Number of ordinary shares ('000)	5.4	510	3,460	3,891	167,292	223,052	223,052
Total Equity/NA (RM'000)		6,767	6,767	11,504	11,504	36,596	21,721
Total Equity/NA (RM'000) (Owner's portion)		8,822	8,822	13,559	13,559	38,651	23,776
NA per share (RM)		13.27	1.96	2.96	0.07	0.16	0.10
NA per share (RM) (Owner's portion)		17.30	2.55	3.49	0.08	0.17	0.11

^A Extracted from the Group's audited combined financial statements for the FYE 31 December 2020

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

The pro forma statements of financial position as at 31 December 2020 has been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they had been effected on 31 December 2020:

4.1 Pro Forma I

Pro Forma I incorporates the effects of the acquisition of Rams Malaysia as set out in Section 2.3.1 above.

4.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the effects of the RCPS conversion as set out in Section 2.3.2 above.

4.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the effects of subdivision of shares as set out in Section 2.3.3 above.

4.4 Pro Forma IV

Pro Forma IV incorporates the effects of Pro Forma III, the Public Issue and the Offer for Sale as set out in Section 2.3.4 above.

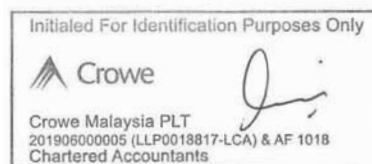
4.5 Pro Forma V

Pro Forma V incorporates the cumulative effects of Pro Forma IV and the utilisation of the proceeds from the Public Issue.

4.5.1 Utilisation of Proceeds

The proceeds from the Public Issue as stated in the prospectus in relation to the IPO, will be utilised as follows:-

Details of the utilisation of proceeds	Amount of proceeds		Estimated time frame for utilisation from the date of our Listing
	RM'000	%	
Business expansion (1)	8,851	35.27	Within 24 months
Research and development expenditure (2)	4,101	16.34	Within 24 months
Working capital	7,560	30.14	Within 24 months
Estimated listing expenses (3)	4,580	18.25	Within 1 month
Total	25,092	100.00	

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A****RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020****4.5 Pro Forma V (Cont'd)****4.5.1 Utilisation of Proceeds (Cont'd)***Notes to the Utilisation of Proceeds*

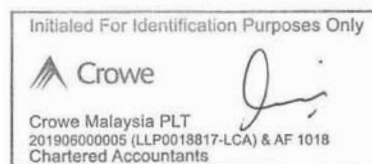
	RM'000
Business expansion into the Philippines:	
- Rental of office	227
- Payroll expenses	1,484
- Purchase of office equipment *	65
- Advertising and marketing	727
Expansion of Feet's and Lark in Southeast Asia	
- Payroll expenses (a)	2,983
- Advertising and marketing	3,239
- Localisation of Feet's	126
Total	8,851

(a) As at the latest practicable date of the prospectus of 24 May 2021, the Group has hired a total of 6 sales and marketing personnel in Malaysia and 2 sales and marketing personnel in Vietnam. Prior to the Listing, the payroll expenses of these hired employees are funded by internally generated funds. After the Listing, the Group will be utilising the allocated gross proceeds to meet the payroll expenses of 6 of the existing hired sales and marketing personnel in Malaysia and 2 of the existing hired sales and marketing personnel in Vietnam over a period of 24 months. The Group will hire the sales and marketing team for Singapore, Thailand and Indonesia after the Listing.

(1) As at the latest practicable date of the prospectus of 24 May 2021, none of the total utilisation of proceeds for business expansion were supportable by any purchase orders, sales and purchase agreements or contractual binding agreements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for business expansion of RM8.85 million to be raised from the Public Issue in the Pro Forma Statements of Financial Position.

	RM'000
Enhancement of Feet's through incorporation of AI technology:	
- Collaboration cost	104
- Purchase of computer equipment *	97
- Expansion of research and development division	2,880
Development of bolt-on modules for cloud-based HCM solutions:	
- Purchase of software licenses *	1,020
Total	4,101

(2) As at the latest practicable date of the prospectus of 24 May 2021, none of the total utilisation of proceeds for research and development expenditure were supportable by any purchase orders, sales and purchase agreements or contractual binding agreements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for research and development expenditure of RM4.10 million to be raised from the Public Issue in the Pro Forma Statements of Financial Position.

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

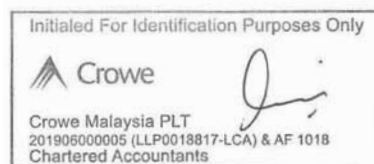
4.5 Pro Forma V (Cont'd)**4.5.1 Utilisation of Proceeds (Cont'd)**Notes to the Utilisation of Proceeds (Cont'd)

(3) *The estimated listing expenses comprise the following:-*

	RM'000
<i>Professional fees</i>	3,274
<i>Regulatory fees</i>	1
<i>Brokerage, underwriting and placement fees</i>	703
<i>Printing, advertising and other miscellaneous expenses</i>	602
Total	4,580

From the total estimated listing expenses of RM4.58 million, a total of RM1.99 million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against the share capital. The remaining expenses of RM2.59 million are assumed to be attributable to the listing and therefore will be charged to the statements of profit or loss and other comprehensive income. In the financial year ended 2020, the Company had recognised the actual listing expenses of RM2.28 million, a total of RM0.80 million is assumed to be directly attributable to the issuance of new shares and recognised in prepayment. The remaining expenses of RM1.48 million are assumed to be attributable to the listing and therefore charged to the statements of profit or loss and other comprehensive income.

** Capital expenditure amounts to RM1.18 million as per included in tables above.*

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION**5.1 Property and Equipment**

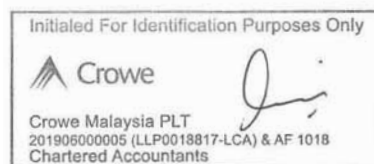
	RM'000
As at 31 December 2020/As per Pro Forma I to IV	1,296
Pursuant to Utilisation of Proceeds from IPO ^(4.5.1)	1,182
	<hr/>
As per Pro Forma V	2,478
	<hr/>

5.2 Other Receivables, Deposits and Prepayments

	RM'000
As at 31 December 2020/As per Pro Forma I to IV	1,666
Pursuant to Utilisation of Proceeds from IPO ^(4.5.1)	(801)
	<hr/>
As per Pro Forma V	865
	<hr/>

5.3 Cash and Bank Balances

	RM'000
As at 31 December 2020/As per Pro Forma I to III	2,844
Pursuant to Public issue	25,092
	<hr/>
As per Pro Forma IV	27,936
Pursuant to Utilisation of Proceeds from IPO	
- Expenses (excluding working capital and capital expenditure)	(14,074)
- Capital expenditure	(1,182)
- Payment of IPO expenses	(1,329)
	<hr/>
As per Pro Forma V	11,351
	<hr/>

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

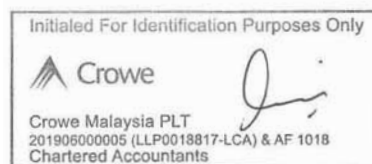
RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)**5.4 Share Capital**

	Number of Ordinary Shares (‘000)	Amount of Share Capital RM’000
As at 31 December 2020	510	510
Pursuant to Acquisition	2,950	813
As per Pro Forma I	3,460	1,323
Upon RCPS Conversion	431	4,897
As per Pro Forma II	3,891	6,220
Subdivision of Shares	163,401	-
As per Pro Forma III	167,292	6,220
Public Issue	55,760	25,092
As per Pro Forma IV	223,052	31,312
Listing expenses directly attributable to the Public Issue	-	(1,990)
As per Pro Forma V	223,052	29,322

5.5 Merger Deficit

	RM’000
As at 31 December 2020	(260)
Pursuant to Acquisition	(813)
As per Pro Forma I to V	(1,073)

12. FINANCIAL INFORMATION (CONT'D)**APPENDIX A**

RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

5. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)**5.6 Retained Profits/(Accumulated Loss)**

	RM'000
As at 31 December 2020/As per Pro Forma I	8,326
Being interest accrued for RCPS	(160)
	<hr/>
As per Pro Forma II to IV	8,166
Less: Amount of proceeds utilised excluding working capital and listing expenses directly attributable to the Public Issue	(14,067)
Add: Capital expenditure capitalised as property and equipment	1,182
	<hr/>
As per Pro Forma V	(4,719)
	<hr/>

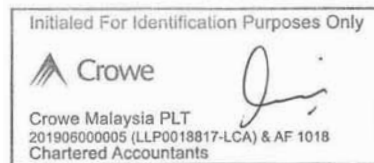
5.7 Redeemable Convertible Preference Shares

	RM'000
As at 31 December 2020/As per Pro Forma I	4,737
Upon interest accrued for RCPS	160
Upon RCPS Conversion	(4,897)
	<hr/>
As per Pro Forma II to V	-
	<hr/>

5.8 Other Payables and Accruals

	RM'000
As at 31 December 2020/As per Pro Forma I to IV	3,424
Less: Amount of proceeds utilised for IPO expenses as at 31 December 2020	(1,329)
	<hr/>
As per Pro Forma V	2,095
	<hr/>

12. FINANCIAL INFORMATION (CONT'D)



APPENDIX A

**RAMSSOL GROUP BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **31 MAY 2021**

On behalf of the Board of Directors,

A large, stylized handwritten signature in black ink, appearing to read 'Tan Chee Seng'.

Tan Chee Seng
Director

A large, stylized handwritten signature in black ink, appearing to read 'Lee Miew Lan'.

Lee Miew Lan
Director

12. FINANCIAL INFORMATION (CONT'D)**12.2 HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of the combined statements of profit or loss and other comprehensive income and combined statements of financial position of our Group for the Financial Years Under Review. The financial statements should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Combined statements of profit or loss and other comprehensive income of our Group

Combined statements of profit or loss and other comprehensive income	Audited			
	FYE 2017	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	6,808	12,523	15,439	25,331
Cost of Sales	(3,565)	(8,021)	(7,759)	(9,991)
GP	3,243	4,502	7,680	15,340
Other income	135	6	128	507
Administrative expenses	(2,650)	(2,349)	(3,394)	(5,740)
Other expenses	(53)	(1,409)	(6)	(1,555)
Depreciation	(358)	(345)	(443)	(463)
Net impairment losses on financial assets	(15)	-	-	(231)
Profit from operations	302	405	3,965	7,858
Finance costs	(190)	(179)	(137)	(443)
PBT	112	226	3,828	7,415
Tax expense	(24)	(49)	(28)	(415)
PAT	88	177	3,800	7,000
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	215	4	111	(37)
Total comprehensive income	303	181	3,911	6,963
PAT attributable to:				
- Owners of the Company	88	177	4,494	7,533
- Non-controlling interests	-	-	(694)	(533)
	88	177	3,800	7,000
EBITDA ⁽¹⁾	660	750	4,408	8,321
GP margin (%) ⁽²⁾	47.64	35.95	49.74	60.56
PBT margin (%) ⁽³⁾	1.65	1.80	24.79	29.27
PATAMI margin (%) ⁽⁴⁾	1.29	1.41	29.11	29.74
Number of Shares in issue ('000)	810	800	510	510
Basic and diluted EPS (RM)	0.11	0.22	8.81	14.77

Notes:

- (1) EBITDA is computed as the sum of profit from operations before depreciation charges.
- (2) GP margin is computed based on GP over revenue.
- (3) PBT margin is computed based on PBT over revenue.
- (4) PATAMI margin is computed based on PATAMI over revenue.

12. FINANCIAL INFORMATION (CONT'D)**12.2.2 Combined statements of financial position of our Group**

Combined statements of financial position of our Group	Audited			
	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
ASSETS				
Non-current assets				
Property and equipment	2,034	2,177	1,985	1,296
Investment Property	-	-	-	768
Rights-of-use assets	-	-	944	623
Development costs	-	-	-	725
Total non-current assets	2,034	2,177	2,929	3,412
Current assets				
Inventories	-	-	-	240
Trade receivables	1,196	1,428	1,337	11,579
Other receivables, deposits and prepayments	136	303	1,091	1,666
Amount owing by related parties	2,060	546	-	-
Amount owing by a director	545	55	-	-
Contract assets	146	-	913	-
Current tax assets	5	-	-	14
Cash and bank balances	504	679	3,691	2,844
Total current assets	4,592	3,011	7,032	16,343
TOTAL ASSETS	6,626	5,188	9,961	19,755
EQUITY AND LIABILITIES				
Share capital	1,455	1,216	510	510
Reserves	1,533	1,218	804	8,312
Equity attributable to owners of the Company	2,988	2,434	1,314	8,822
Non-controlling interests	-	(1,339)	(1,509)	(2,055)
Total equity	2,988	1,095	(195)	6,767
Non-current liabilities				
Redeemable convertible preference shares	-	-	-	4,737
Hire purchase payables	281	314	-	-
Lease liabilities	-	-	420	151
Term loans	376	275	162	1,758
Deferred tax liabilities	93	72	-	-
Provision for employee benefits obligations	3	13	54	82
Total non-current liabilities	753	674	636	6,728

12. FINANCIAL INFORMATION (CONT'D)

Combined statements of financial position of our Group	Audited			
	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
Current liabilities				
Trade payables	164	192	101	593
Other payables and accruals	560	580	5,329	3,424
Amount owing to directors	25	27	2,118	-
Hire purchase payables	102	146	-	-
Lease liabilities	-	-	384	341
Term loans	712	442	329	367
Short-term borrowings	1,322	1,422	1,018	1,203
Contract liabilities	-	608	145	136
Current tax liabilities	#	2	96	196
Total current liabilities	2,885	3,419	9,520	6,260
TOTAL LIABILITIES	3,638	4,093	10,156	12,988
TOTAL EQUITY AND LIABILITIES	6,626	5,188	9,961	19,755
Number of Shares in issue ('000)	810	800	510	510
NA / (NL) (RM'000)	2,988	1,095	(195)	6,767
NA (Owner's portion) (RM'000)	2,988	2,434	1,314	8,822
NA / (NL) per Share (RM)	3.69	1.37	(0.38)	13.27
NA per Share (Owner's portion) (RM)	3.69	3.04	2.58	17.30

Note:

Less than RM1,000

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12. FINANCIAL INFORMATION (CONT'D)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis on our Group's financial condition and results of operations for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 should be read in conjunction with the historical combined financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus. There are no accounting policies which are peculiar to our Group in regards to the nature of the business or the industry which our Group is involved in.

This discussion and analysis contains data derived from our historical combined financial statements as well as forward-looking statements reflecting our current views with respect to future events and our financial performance. Our actual results may differ significantly from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Section 8, Risk Factors of this Prospectus.

12.3.1 Overview of our operations

We are a HCM solution and technology specialist. Our principal business activities are as follows:

- (i) provision of HCM and student management solutions, comprising:
 - consulting and implementation
 - sale of software licences
 - technical support and maintenance services;
- (ii) provision of IT staff augmentation services; and
- (iii) provision of HCM technology applications, comprising:
 - Feet's, our in-house employee engagement mobile application
 - Lark, a third party collaboration platform
 - IT-related training
 - Zoom, a third party enterprise unified communications platform.

Our revenue is generated from local and overseas and the currency used in invoicing is RM, USD, SGD, THB, IDR and Dong. Approximately 24.94%, 22.97%, 40.77% and 49.63% of our revenues were denominated in RM for FYEs 2017 to 2020, with the remainder mainly denominated in SGD and THB. Rams Malaysia invoices to customers outside Malaysia in RM and USD.

Further details of our Group's business overview are set out in Section 6 of this Prospectus.

Moving forward, we will continue to focus on our current principal business activities. As part of our business strategies and future plans as set out in Section 6.6 of this Prospectus, we intend to implement the following:

- (i) to enlarge our regional presence in Southeast Asia by expanding into the Philippines;
- (ii) to expand the presence and subscriber base of Feet's and Lark in Southeast Asia;
- (iii) to enhance our R&D activities primarily for the enhancement of Feet's and development of bolt-on modules for our HCM solutions;
- (iv) to expand our IT staff augmentation business;
- (v) to increase the sale of software licences from large organisations; and
- (vi) to continue to expand into the provision of IT-related training business.

12. FINANCIAL INFORMATION (CONT'D)

Further details on the risk factors that may affect our revenue and financial performance are set out in Section 8 of this Prospectus.

12.3.2 Results of operations

Our Group's revenue for the financial years and period under review was derived from the provision of HCM and student management solutions, provision of IT staff augmentation services and provision of HCM technology application.

(i) Provision of HCM and student management solutions

Revenue from this segment is derived from:

- (a) provision of consulting and implementation of HCM and student management solutions using third party software. We understand an organisation's HR practices through a user requirement study, designing HR workflow processes and solutions to address the organisation's HR issues, and proposing an optimised HCM solution to the organisation. We design a HCM solution to assist organisations to transform, improve and digitalise their HR systems with the use of HCM software;
- (b) sale of third party software licences as part of our HCM and student management solutions, where we purchase software licences from software vendors on wholesale basis and resell them to our customers (i.e. organisations and educational institutions, who are the end-users of our HCM and student management solutions respectively) based on number of software licences, as and when required based on projects awarded, with a percentage mark-up; and
- (c) provision of technical support and maintenance services to organisations and educational institutions as part of our after-sales services following consulting and implementation of HCM and student management solutions. We also provide technical support and maintenance services to organisations and educational institutions who do not engage us for consulting and implementation of HCM solutions.

For the Financial Years Under Review, revenue contributed by our provision of HCM and student management solutions segment was derived from our customers based in Malaysia as well as foreign countries including Singapore, Thailand, Vietnam, Indonesia, the Netherlands and Taiwan.

For the Financial Years Under Review, our Group does not have any pricing policy in place. The pricing of our projects for consulting and implementation of HCM solutions varies from customer to customer as they are based on various factors, including types of HCM or student management software, modules to be implemented, duration of project, number of consultants required and complexity of the solutions in terms of the end-users' employee or student management workflow processes.

Following the sale of the software licences to our customers, we carry out the implementation of HCM solutions for the customers. We do not sell software licences on a standalone basis where we are not involved in the consulting and implementation of the HCM solutions for the customers. Nevertheless, we also purchase and resell software licences to our existing customers on a standalone basis for the purposes of licence renewal on a yearly basis.

12. FINANCIAL INFORMATION (CONT'D)

Most of our technical support and maintenance services are provided based on AMS agreements signed between our Group and our customers. The agreements stipulate details such as scope of work, types of support, number of support personnel needed, support timeframe and fees. We also provide technical support and maintenance services to customers for a shorter period of time (i.e. several weeks or months) where in such cases, the arrangement and revenue will be based on man-days without any contract signed.

Revenue from sale of software licences are recognised when our Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The contracts include multiple deliverables, such as provisions of software solutions, implementation of software solutions, technical support and its related installation services. However, the installation is simple, does not include an integration service and could be performed by other providers in the market. It is therefore accounted for as a separate performance obligation. The transaction price is allocated to each performance obligation based on the stand-alone selling prices.

Revenue from the installation and maintenance services of the business software solutions are recognised over time in which the services are rendered. This is determined based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, our Group recognises revenue based on the output method over the period of service. If the services rendered exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised.

The Group also assesses whether the sales of software licence included in the contracts represent a single performance obligation that is distinct from the ongoing contractual obligations. If not distinct, the combined performance obligations is recognised over time. If the licence is distinct, it is recognised separately from the other performance obligations at the time of the delivery of the licenced software.

In view of the nature of our projects, our cost of sales such as purchase of software licences may not correspond to our overall revenue or profitability for a given year as the cost of sales and revenue recognised in any given year varies from one to another depending on the implementation timeframe for each project which ranges between 3 months and 24 months, which can often spread over 2 financial years. In this regard, cost of sales from each project will generally peak during the initial year of implementation and taper off in the following year as software licences needs to be purchased before installation of the software for the projects starts whereas our billings for work done will only be raised after meeting the project's milestones. This timing difference of cost of sales and revenue recognition might affect our yearly GP margin.

12. FINANCIAL INFORMATION (CONT'D)**(ii) Provision of IT staff augmentation services**

Revenue from this segment is derived from the provision of IT staff augmentation services where we recruit and supply IT professionals to our customers, for their internal IT projects and / or to meet their operational needs in IT function, on a fixed contractual period. The customers for our IT staff augmentation services are business organisations, primarily enterprises, MNCs and conglomerates.

The IT professionals are hired, as and when needed, under our Group's payroll, whereby our Group pays the salaries and manages the welfare / benefits of the IT professionals throughout the duration of the contract period, as agreed with our customers. We charge our customers a monthly fee comprising the salaries of the IT professionals plus a percentage mark-up in accordance with the requirements of the customer such as level of experience, duration and scope of work.

Revenue from the provision of IT staff augmentation services are recognised when the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For services provided and charged by on a daily basis, revenue is recognised at a point in time when the services are delivered to the customer and upon its acceptance.

(iii) Provision of HCM technology applications

Revenue from this segment is derived from:

- (a) Feet's, an employee engagement mobile application. Our target customers for Feet's are business organisations including enterprises, MNCs, conglomerates and educational institutions. We sell Feet's to these customers on a monthly subscription basis based on the number of users in the organisation;
- (b) Lark, a single online collaboration platform for business use that seamlessly interconnects multiple communication functions such as email, instant messenger, tele-conferencing and video conferencing, as well as other work-related functions such as scheduling meetings, calendar management, attendance management, document creation and editing, cloud storage and file sharing.

In February 2020, our subsidiary Rams Malaysia entered into a Lark Partner Network Agreement with Lark Technologies Pte Ltd, a Singapore company to resell Lark, a third party collaboration platform, for Asia Pacific region (including Japan and excluding Mainland China) with a tenure of 3 years and any renewal shall be subject to mutual agreement. As at the LPD, while our revenue from the sale of Lark is solely generated from Malaysia, Lark can also be offered in Thailand, Indonesia and Vietnam. Apart from reselling Lark's user licences to our customers, we also provide implementation, maintenance and enhancement services related to on-boarding of new users, basic technical support and integration between third party applications and Lark to our customers.

We offer Lark to our customers on monthly subscription fees based on the type of account and number of users in the organisation. Upon securing a customer for the subscription of Lark, we will place an order with Lark Technologies Pte Ltd to purchase the user licences. We will be charged for the licence fees for every order placed with Lark Technologies Pte Ltd, and we are required to complete the payment to Lark Technologies Pte Ltd within 30 days upon the invoice date. The payment terms in respect of our purchases of the user licences are quoted in SGD or USD or any other agreed currency; and

12. FINANCIAL INFORMATION (CONT'D)

- (c) IT-related training, revenue from this segment is derived from provision of IT-related training to unemployed Malaysians under the Penjana Kerjaya Program introduced by the Government's Ministry of Human Resource.

In August 2020, our subsidiary, Rams Malaysia entered into an agreement with Megatech, an educational institution in Malaysia to provide the IT-related training.

As at the LPD, the IT-related training provided to Megatech's students are conducted through Lark. While we provide the training directly to Megatech's students, our revenue from this business segment is contributed by Megatech as we act as a trainer to Megatech.

Revenue from the provision of HCM technology applications are recognised at a point the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For services provided and charged by on a daily basis, revenue is recognised at a point in time when the services are delivered to the customer and upon its acceptance.

Further details of our Group's business overview are set out in Section 6 of this Prospectus.

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12. FINANCIAL INFORMATION (CONT'D)**12.3.2.1 Segmental analysis of revenue****(i) Revenue by business activities**

	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue by business activities								
Provision of HCM and student management solutions								
- Consultation and implementation	1,572	23.09	2,097	16.75	8,510	55.12	10,813	42.69
- Sale of third party software licences ⁽¹⁾	777	11.41	4,462	35.63	1,535	9.94	1,977	7.80
- Technical support and maintenance	3,262	47.92	3,627	28.96	4,026	26.08	2,559	10.10
Subtotal	5,611	82.42	10,186	81.34	14,071	91.14	15,349	60.59
Provision of IT staff augmentation	1,197	17.58	2,337	18.66	1,290	8.35	876	3.46
Provision of HCM technology applications	-	-	-	-	78	0.51	8,681	34.27
Provision of IT-related training	-	-	-	-	-	-	425	1.68
Total	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

Note:

(1) *The amount under Sale of third party software licences are for sales of software licences that are consider as a sale that can be recognised separately from the other performance obligation at the time of the delivery of the licenced software.*

Our Group's revenue is mainly derived from the provision of HCM and student management solutions, representing approximately 82.42%, 81.34%, 91.14% and 60.59% of our Group's total revenue for the Financial Years Under Review.

Our revenue to existing and new customers secured by our Group is mainly supported by:

- (i) our proven project track record involving large organisations in multiple countries across multiple industries;
- (ii) our regional presence in Southeast Asia with robust knowledge of local organisational dynamics and strong understanding of local employment laws; and
- (iii) our experience and knowledge in HR enable us to enhance the efficiency of an organisation's HR functions using our suite of HCM solutions and technology.

12. FINANCIAL INFORMATION (CONT'D)

(ii) Revenue by subsidiaries

The table below sets out the business activities of our Group:

Subsidiary	Business activities			
	HCM and student management solutions	IT staff augmentation ⁽¹⁾	HCM technology applications ⁽²⁾	IT-related training
Rams Malaysia	✓	✓	✓	✓
Rams Singapore	✓	✓	✓	
Rams Thailand	✓		✓	
Rams Vietnam	✓		✓	
Rams Indonesia	✓		✓	
Feets Malaysia and Feets Indonesia			✓	

Notes:

- (1) Revenue from this segment is currently derived from Malaysia and Singapore only. However, this service can be extended to Thailand and Indonesia, depending on the customers' requests.
- (2) Feet's is currently offered in Malaysia and Indonesia only, while Lark is currently offered in Malaysia. However, Feet's can be offered to other countries which we have business presence in, such as Singapore, Thailand and Vietnam; while Lark can also be offered to Thailand, Indonesia and Vietnam. Our Group does not intend to resell Lark in Singapore as our principal, Lark Technologies Pte Ltd is based in Singapore and organisations that are interested in signing up Lark would approach Lark Technologies Pte Ltd directly. Zoom is currently offered in all countries which we have business presence in, namely Malaysia, Singapore, Thailand, Indonesia and Vietnam.

Rams Malaysia provides project management services to other subsidiaries except for Feets Malaysia. Rams Malaysia also provides administration service to Rams Thailand. In FYE 2018, Rams Singapore provided project management service to Rams Vietnam.

Revenue by subsidiaries	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Rams Malaysia	1,891	27.78	3,322	26.53	6,369	41.25	12,559	49.58
Rams Singapore	4,405	64.70	3,982	31.80	3,469	22.47	2,835	11.19
Rams Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
Rams Vietnam	30	0.44	156	1.24	90	0.58	-	-
Rams Indonesia	-	-	-	-	-	-	2,314	9.14
Feets Malaysia	-	-	-	-	78	0.51	69	0.27
Total	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

12. FINANCIAL INFORMATION (CONT'D)

Our Group's revenue for FYE 2017 is mainly derived from Rams Singapore, representing approximately 64.70% of the total revenue for FYE 2017. In FYE 2018, Rams Thailand contributed the most revenue, representing approximately 40.43% of the total revenue respectively. Rams Malaysia contributed the most revenue in FYE 2019 and FYE 2020, representing approximately 41.25% and 49.58% of the total revenue respectively.

(iii) Revenue by geographical location

Revenue by geographical location	Audited							
	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	1,698	24.95	2,876	22.96	4,885	31.64	11,534	45.53
Overseas markets								
- Singapore	4,177	61.35	3,982	31.80	3,577	23.17	2,879	11.37
- Thailand	482	7.08	5,063	40.43	5,433	35.19	7,554	29.82
- Vietnam	30	0.44	156	1.25	90	0.58	-	-
- Indonesia ⁽¹⁾	-	-	-	-	1,362	8.82	3,310	13.07
- The Netherlands	193	2.83	446	3.56	92	0.60	54	0.21
- Taiwan	228	3.35	-	-	-	-	-	-
Subtotal	5,110	75.05	9,647	77.04	10,554	68.36	13,797	54.47
Total	6,808	100.00	12,523	100.00	15,439	100.00	25,331	100.00

Note:

(1) Prior to the establishment of Rams Indonesia on 10 January 2019, there was 1 HCM solution project in Indonesia secured by Rams Malaysia in December 2018, which the consulting and implementation works of the project were performed by Rams Malaysia in Malaysia. Thereafter, all new projects in Indonesia were secured by Rams Indonesia.

The classification of our Group's revenue by geographical market is based on the location of the customer, regardless of the location of the work being carried out.

Our revenue from Malaysia contributed approximately 24.95%, 22.96%, 31.64% and 45.53% of our Group's total revenue for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 respectively. In FYE 2019, the Group's revenue denominated in RM is higher than revenues generated in Malaysia by approximately RM1.48 million or 30.27% mainly due to CV Surya Mandiri (located in Indonesia) that was billed in RM to Rams Malaysia before the incorporation of Rams Indonesia. In FYE 2020, the Group's revenue denominated in RM is still higher than revenue generated in Malaysia by approximately RM1.03 million or 8.89% out of which RM0.99 million was from the contract with CV Surya Mandiri as the contract is ongoing. Our Group's revenue from overseas market accounted for approximately 75.05%, 77.04%, 68.36% and 54.47% of our Group's total revenue for FYE 2017, FYE 2018, FYE 2019 and FYE 2020 respectively.

The IT staff supplied to Epicenter Amsterdam, a company based in the Netherlands, for the Financial Years Under Review was by Rams Malaysia and Rams Singapore. As for the project in Taiwan during FYE 2017, it was entered with Rams Singapore.

12. FINANCIAL INFORMATION (CONT'D)**(iv) Commentary on revenue****FYE 2018 as compared to FYE 2017****By business activities**

Our total revenue increased by approximately RM5.71 million or 83.85% from RM6.81 million in FYE 2017 to RM12.52 million in FYE 2018 is mainly due to a higher revenue from the provision of HCM and student management solutions of approximately RM4.58 million or 81.64% as compared to RM5.61 million generated in FYE 2017.

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to 7 new customers secured during FYE 2018 which contributed approximately RM4.44 million or 35.42% to our total revenue in FYE 2018. Among the new customer, P.R. Recruitment and Business Management Co., Ltd. in Thailand contributed approximately RM3.44 million or 27.43% to our total revenue in FYE 2018. Due to their need to change their existing HCM systems, they have engaged us for consulting and implementation of HCM solutions and purchase of software licences.

CapitaLand Limited, our existing customer since 2011, set up a new company, CapitaLand Business Services Pte Ltd and they have engaged us for technical support and maintenance services which contributed approximately RM1.16 million or 9.25% to our total revenue in FYE 2018. CapitaLand Business Services Pte Ltd needed to upgrade their existing HCM system. Collectively, CapitaLand Limited and CapitaLand Business Services Pte Ltd contributed approximately RM2.15 million or 17.21% to our total revenue in FYE 2018.

Revenue from our provision of IT staff augmentation increased by approximately RM1.14 million or 95.00% from RM1.20 million in FYE 2017 to RM2.34 million in FYE 2018 mainly due to the increase in supply of IT staff to a local financial institution from 7 IT staff in FYE 2017 to 9 IT staff in FYE 2018. The said financial institution, an existing customer, increased their purchases by approximately RM0.91 million or 133.06% from RM0.69 million in FYE 2017 to RM1.60 million in FYE 2018 which contributed 68.37% of our revenue in the provision of IT staff augmentation in FYE 2018 or 12.76% of our total revenue in FYE 2018. 4 of the 7 IT staff in FYE 2017 were only recruited in the last quarter of FYE 2017 which explained the higher revenue in FYE 2018 from our provision of IT staff augmentation.

By subsidiaries

Our subsidiary, Rams Thailand, contributed the most revenue for our Group in FYE 2018 which increased by RM4.58 million from RM0.48 million in FYE 2017 to RM5.06 million in FYE 2018 mainly attributable to revenue from P.R. Recruitment and Business Management Co. Ltd. contributing approximately RM3.44 million or 27.43% to our total revenue in FYE 2018.

Rams Malaysia also recorded an increase in revenue of approximately RM1.43 million or 75.7% from RM1.89 million in FYE 2017 to RM3.32 million in FYE 2018 mainly attributable to the local financial institution, the provision of consulting and implementation of HCM solutions to Company D in the last quarter of FYE 2018 and the increase in supply of IT staff to Epicenter Amsterdam, a company based in the Netherlands.

12. FINANCIAL INFORMATION (CONT'D)

The increase in revenue from Rams Thailand and Rams Malaysia is offset by the decrease in revenue from Rams Singapore of approximately RM0.43 million or 9.75% from RM4.41 million in FYE 2017 to RM3.98 million in FYE 2018. The reduction is due to completion of the project for Powertech Technology Inc in Taiwan in FYE 2017 and most of the project billing for Parkway Hospitals Singapore Pte Ltd amounting to approximately RM0.30 million was raised in FYE 2017 with only RM0.07 million raised in FYE 2018 due to completion of project.

By geographical location

In FYE 2018, we experienced revenue growth in Malaysia of approximately RM1.18 million or 69.41% from RM1.70 million to RM2.88 million mainly due to the higher revenue from provision of IT staff augmentation to the local financial institution due to the increase in supply of IT staff, and the provision of HCM solutions to Company D. This financial institution contributed 70.13% of the total revenue from Malaysia in FYE 2018.

Revenue from our overseas market has also increased by RM4.54 million or 88.85% from RM5.11 million in FYE 2017 to RM9.65 million in FYE 2018 which is mainly attributable to higher revenue from our subsidiary, Rams Thailand. The overall increase in revenue from our overseas market is offset by the decrease in revenue from Singapore and Taiwan. The reduction in revenue in Singapore was due to the completion of project. Most of the project billing for Parkway Hospitals Singapore Pte Ltd amounting to approximately RM0.30 million was raised in FYE 2017 while RM0.07 million for the project billing was raised in FYE 2018. Similarly, revenue from Taiwan reduced due to completion of the project with Powertech Technology Inc.

FYE 2019 as compared to FYE 2018**By business activities**

Our total revenue increased by approximately RM2.92 million or 23.32% from RM12.52 million in FYE 2018 to RM15.44 million in FYE 2019 is mainly due to a higher revenue of approximately RM3.89 million or 38.19% generated from the sales of HCM and student management solutions. Further, we recorded increase in revenue from provision of HCM technology application of approximately RM0.08 million. Nonetheless, the increase in the revenue from sales of HCM and student management solutions is offset by the decrease in revenue from IT staff augmentation of approximately RM1.05 million or 44.87% from RM2.34 million in FYE 2018 to RM1.29 million in FYE 2019.

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to 12 new customers secured during FYE 2019 which contributed revenue of approximately RM4.64 million or 30.05% of our total revenue in FYE 2019. Out of the 12 new customers, one customer, namely CV Surya Mandiri, based in Indonesia, engaged us for consulting and implementation of HCM solutions and purchase of software licences as they experienced a business expansion and needed to change their existing software. CV Surya Mandiri contributed approximately RM1.30 million or 8.42% to our total revenue in FYE 2019. Revenue from CV Surya Mandiri was captured in Rams Malaysia but not Rams Indonesia as the contract was entered into in December 2018 and Rams Indonesia was only incorporated in January 2019.

Company D, which had directly engaged us in the last quarter in FYE 2018 for consulting and implementation of HCM solutions contributed approximately RM0.23 million in FYE 2018 and the contribution further increased by approximately RM1.80 million to RM2.03 million in FYE 2019 which is 13.12% of our total revenue in FYE 2019. In FYE 2019, Company A has also appointed us to provide consulting and

12. FINANCIAL INFORMATION (CONT'D)

implementation of HCM solutions to Company D which contributed approximately RM0.48 million or 3.11% to our total revenue in FYE 2019. The contract with CapitaLand Business Services Pte Ltd which started in FYE 2018 contributed approximately RM1.16 million in which further increased by approximately RM1.20 million to RM2.36 million or 15.28% of our total revenue in FYE 2019. The contract with CapitaLand Business Services Pte Ltd was completed in FYE 2019.

The increase in revenue from provision of HCM and student management solutions from 12 new customers, Company D and CapitaLand Business Services Pte Ltd were offset against the decrease of revenue recorded from P.R. Recruitment Services of approximately RM2.33 million from RM3.44 million in FYE 2018 to RM1.11 million in FYE 2019. In addition, we recorded a decrease of revenue from RHB Bank Berhad and SP Setia Berhad of approximately RM0.35 million and RM0.20 million due to completion of project. We also recorded a decrease in revenue from Keretapi Tanah Melayu Berhad of approximately RM0.09 million due to completion of project. Further, we recorded a decrease in revenue from CapitaLand Limited and Ascendas Land (Singapore) Pte Ltd of approximately RM1.00 million and RM0.36 million respectively due to acquisition of Ascendas Land (Singapore) Pte Ltd by CapitaLand Limited. Both are our existing customers and upon completion of the said acquisition, we only need to provide service to one company which is Ascendas Land (Singapore) Pte Ltd and we no longer generate revenue from CapitaLand Limited in FYE 2019.

Our overall increase in total revenue for FYE 2019 was offset by the decrease in revenue from our provision of IT staff augmentation of approximately RM1.05 million or 44.87% from RM2.34 million in FYE 2018 to RM1.29 million in FYE 2019. The decrease was mainly due to the reduction in supply of IT staff from 9 in FYE 2018 to 6 in FYE 2019 to the local financial institution as they did not renew our service agreement upon expiry in FYE 2018. Our service agreement with the local financial institution was entered into to complete a specific job request by the client which is to plan, design and construct a software system. Therefore, upon expiry of the service agreement, the job requested have been fulfilled thus the service agreement was not renewed.

The provision of HCM technology applications started to contribute to our revenue in FYE 2019 of approximately RM0.08 million from 4 customers out of which 3 are from Indonesia and 1 from Malaysia. The revenue contribution was derived from the subscription of our in-house employee engagement mobile application Feet's.

By subsidiaries

Our subsidiary, Rams Malaysia, contributed the most revenue for our Group in FYE 2019 which increased by approximately RM3.05 million or 91.87% from RM3.32 million in FYE 2018 to RM6.37 million in FYE 2019 mainly attributable to CV Surya Mandiri and Company D. CV Surya Mandiri contributed approximately RM1.30 million or 8.42% to our total revenue in FYE 2019 while Company D contributed approximately RM2.03 million or 13.12% in FYE 2019. The increase in revenue for Rams Malaysia is also due to Company A which contributed approximately RM1.25 million or 8.13% of our total revenue in FYE 2019. Rams Malaysia was appointed by Company A to supply IT staff to them which contributed approximately RM0.39 million to our total revenue in FYE 2019 and to provide consulting and implementation of HCM solutions to Company D and a financial institution in Thailand.

12. FINANCIAL INFORMATION (CONT'D)***By geographical location***

In FYE 2019, we experienced revenue growth in Malaysia of approximately RM2.01 million or 69.79% from RM2.88 million to RM4.89 million mainly due to Company D and Company A. They both contributed approximately RM3.28 million or 21.25% of the total revenue from Malaysia in FYE 2019.

Revenue from our overseas market has also increased by approximately RM0.90 million or 9.33% from RM9.65 million to RM10.55 million which is mainly attributable to our ongoing and new projects in Thailand and expansion of business to Indonesia in FYE 2019. The expansion to Indonesia contributed approximately RM1.36 million or 12.91% of our total revenue from overseas markets in FYE 2019. Revenue from Thailand has increased by approximately RM0.37 million or 7.31% mainly due to new customers secured such as Export-Import Bank of Thailand and Bank of Ayudhya Public Co., Ltd which collectively contributed approximately RM2.45 million or 15.86% of our total revenue in FYE 2019. However, this increase was offset by the decrease in revenue contribution from P.R. Recruitment and Business Management Co. Ltd. of approximately RM2.33 million or 67.7% from RM3.44 million in FYE 2018 to RM1.11 million in FYE 2019. The decrease of revenue contribution from P.R Recruitment and Business Management Co. Ltd in FYE 2019 mainly due to RM0.81 million of the project milestone was billed in FYE 2018 while the balance of RM0.47 million of the project milestone was billed in FYE 2019. Further, our project for P.R. Recruitment and Business Management Co. Ltd include sale of software licence of which RM2.62 million was billed in FYE 2018 and RM0.62 million was billed in FYE 2019. The overall revenue from our overseas market was also offset by the decrease in revenue from Singapore of approximately RM0.41 million to RM3.58 million in FYE 2019 mainly due to the acquisition of Ascendas Land (Singapore) Pte Ltd by CapitaLand Limited. Both are our existing customers and upon completion of the said acquisition, we only need to provide service to one company which is Ascendas Land (Singapore) Pte Ltd and we no longer generate revenue from CapitaLand Limited in FYE 2019.

FYE 2020 as compared to FYE 2019***By business activities***

Our total revenue increased by approximately RM9.89 million or 64.07% from RM15.44 million in FYE 2019 to RM25.33 million in FYE 2020 mainly due to a higher revenue of approximately RM8.60 million generated from the provision of HCM technology applications. Further, we recorded an increase in revenue from provision of HCM and student management solutions of approximately RM1.28 million or 9.08% from RM14.07 million in FYE 2019 to RM15.35 million in FYE 2020. We began our provision of IT-related training in FYE 2020 and it contributed RM0.43 million of revenue in FYE 2020. Nonetheless, the increase in the revenue in FYE 2020 was offset by the decrease in revenue from the provision of IT staff augmentation of approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020.

The increase in revenue generated from the provision of HCM technology applications and IT-related training was due to Megatech, a new customer secured during FYE 2020 which contributed revenue of approximately RM9.03 million or 35.64% of our total revenue in FYE 2020, including RM0.43 million was for provision of IT-related training. Our subsidiary, Rams Malaysia was engaged to provide consulting and implementation as well as technical support and maintenance in relations to Lark, and provided online training courses to the students of Megatech.

12. FINANCIAL INFORMATION (CONT'D)

The increase in revenue generated from the provision of HCM and student management solutions was mainly due to two new customers secured during FYE 2020 which contributed revenue of approximately RM2.31 million or 9.12% of our total revenue in FYE 2020. The two new customers are PT Sigma Solusi Integrasi and PT Nojorono Tobacco International, both based in Indonesia. PT Sigma Solusi Integrasi engaged Rams Indonesia for consulting and implementation of HCM solutions, contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International, which engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

Export-Import Bank of Thailand, our existing customer for consulting and implementation of HCM solutions contributed approximately RM1.61 million in FYE 2019 and the contribution further increased by approximately RM2.15 million to RM3.77 million in FYE 2020 which is 14.87% of our total revenue in FYE 2020 upon completion of the project.

The increase in revenue from provision of HCM and student management solutions was offset by the decrease in revenue recorded from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project.

Further, revenue from technical support and maintenance decreased by approximately RM1.47 million from RM4.03 million in FYE 2019 to RM2.56 million in FYE 2020 mainly due to completion of projects for 8 customers that contributed a total of RM0.84 million to our revenue in FYE 2019 due to completion of the projects. In FYE 2019, we invoiced the sales for technical support and maintenance (which includes sales for software licences) amounting to RM0.61 million to ThaiFoods Group Public Company Limited. However, in FYE 2020, we invoiced ThaiFoods Group Public Company Limited for our provision of technical support and maintenance service and sale of software licences separately amounting to RM0.14 million and RM0.50 million respectively. This has resulted in the decrease in revenue from technical support and maintenance in FYE 2020.

Our overall increase in total revenue for FYE 2020 was offset by the decrease in revenue from our provision of IT staff augmentation of approximately RM0.41 million or 32.09% from RM1.29 million in FYE 2019 to RM0.88 million in FYE 2020. The decrease was mainly due to no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million to the revenue from our provision of IT staff augmentation in FYE 2019.

By subsidiaries

Our subsidiary, Rams Malaysia, contributed the most revenue for our Group in FYE 2020 which increased by approximately RM6.19 million or 97.19% from RM6.37 million in FYE 2019 to RM12.56 million in FYE 2020. This is mainly attributable to Megatech which contributed approximately RM8.60 million and RM0.43 million in FYE 2020 for provision of HCM technology applications and IT-related training, respectively. The increase of revenue for Rams Malaysia was offset by the decrease in sales from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project. Further, there was no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million and RM0.08 million in FYE 2019 for IT staff augmentation and provision of HCM and student management solution, respectively.

12. FINANCIAL INFORMATION (CONT'D)

Rams Thailand recorded an increase in revenue of approximately RM2.12 million or 39.04% from RM5.43 million in FYE 2019 to RM7.55 million in FYE 2020 mainly attributable to increase in revenue from Exim-Import Bank of Thailand amounted to RM2.15 million from RM1.61 million in FYE 2019 to RM3.77 million in FYE 2020. The increase in revenue of Rams Thailand was offset with no sales recorded from 2 customers in FYE 2020 due to completion of project. Both customers contributed RM0.02 million and RM0.01 million, respectively in FYE 2019.

Rams Indonesia also contributed approximately RM2.31 million or 9.14% of our total revenue in FYE 2020 due to the provision of HCM solutions to two new customers, PT Sigma Solusi Integrasi and PT Nojorono Tobacco International. PT Sigma Solusi Integrasi engaged Rams Indonesia for consulting and implementation of HCM solutions, which contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International, engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

Despite the increase in revenue from Rams Malaysia, Rams Thailand and Rams Indonesia in FYE 2020, the Group recorded a decrease in revenue from Rams Singapore of approximately RM0.63 million or 18.28% from RM3.47 million in FYE 2019 to RM2.84 million in FYE 2020. The decrease is due to no revenue recorded from Ascendas Land (Singapore) Pte Ltd upon completion of the project. They contributed RM0.39 million to the total Group revenue of FYE 2019. Further, there was a decrease of revenue from Capital Land Business Services Pte Ltd by RM0.27 million or 11.44% from RM2.36 million in FYE 2019 to RM2.09 million in FYE 2020 due to completion of consulting and implementation project.

By geographical location

In FYE 2020, we experienced revenue growth in Malaysia of approximately RM6.65 million or 136.11% from RM4.89 million to RM11.53 million mainly due to Megatech which contributed RM8.60 million and RM0.43 million in FYE 2020 for provision of HCM technology applications and IT-related training, respectively. The increase of revenue from Malaysia was offset by the decrease of sales from Company D of approximately RM1.56 million from RM2.03 million in FYE 2019 to RM0.47 million in FYE 2020 due to completion of remaining milestones of the project. Further, there was no new project from a local financial institution in FYE 2020 after completion of the existing project which contributed RM0.79 million and RM0.08 million in FYE 2019 for IT staff augmentation and provision of HCM and student management solution, respectively.

Revenue from our overseas market has also increased by approximately RM3.24 million or 30.73% from RM10.55 million to RM13.80 million mainly due to projects with Export-Import Bank of Thailand, and new customers secured in Indonesia namely PT Sigma Solusi Integrasi and PT Nojorono Tobacco International. They contributed approximately RM6.08 million or 24.00% of our total revenue in FYE 2020. The revenue contribution from Export-Import Bank of Thailand increased by RM2.15 million from RM1.61 million in FYE 2019 to RM3.77 million in FYE 2020. PT Sigma Solusi Integrasi which engaged Rams Indonesia for consulting and implementation of HCM solutions, contributed RM1.17 million or 4.63% of the Group's revenue in FYE 2020. PT Nojorono Tobacco International which engaged Rams Indonesia for consulting and implementation of HCM solutions and sales of third party software licences, contributed approximately RM1.14 million or 4.50% of the Group's revenue in FYE 2020.

12. FINANCIAL INFORMATION (CONT'D)

The increase of revenue from our overseas market was offset by the decrease in revenue from Singapore of approximately RM0.70 million from RM3.58 million in FYE 2019 to RM2.88 million in FYE 2020 mainly due to no revenue recorded from Ascendas Land (Singapore) Pte Ltd upon completion of project and decrease of revenue from Capital Land Business Services Pte Ltd by RM0.27 million or 11.27% from RM2.36 million in FYE 2019 to RM2.09 million in FYE 2020 due to completion of consulting and implementation project.

There is no revenue from Vietnam in FYE 2020 upon completion of a project which contributed RM0.09 million of revenue in FYE 2019.

Revenue from The Netherlands decreased by RM0.04 million in FYE 2020 mainly due to lesser man hours required from our provision of IT staff augmentation to Epicenter Amsterdam because less support and customisation was needed for their system.

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