

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(1)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Note	31/12/2021	31/12/2020 ⁽²⁾	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	17,825	N/A	52,524	25,331
Cost of sales	(8,157)	N/A	(24,965)	(9,991)
Gross profit	9,668	N/A	27,559	15,340
Other income	139	N/A	282	507
	9,807	N/A	27,841	15,847
Administrative expenses	(10,185)	N/A	(18,152)	(5,740)
Other expenses	(235)	N/A	(2,327)	(1,555)
Depreciation and amortisation	(226)	N/A	(658)	(463)
Net impairment losses on financial assets	(499)	N/A	(499)	(231)
	(6,127)	N/A	(21,636)	(7,989)
(Loss)/Profit from operations	(1,338)	N/A	6,205	7,858
Finance costs	(48)	N/A	(361)	(443)
(Loss)/Profit before taxation	(1,386)	N/A	5,844	7,415
Income tax expense	(34)	N/A	(53)	(415)
(Loss)/Profit after taxation	(1,420)	N/A	5,791	7,000
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(48)	N/A	(109)	(37)
Total comprehensive (loss)/income for the financial period	(1,468)	N/A	5,682	6,963

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONTINUED) ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Note	31/12/2021	31/12/2020 ⁽²⁾	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after taxation attributable to:				
Owners of the Company	(680)	N/A	6,838	7,533
Non-Controlling Interests	(740)	N/A	(1,047)	(533)
	<u>(1,420)</u>	<u>N/A</u>	<u>5,791</u>	<u>7,000</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(728)	N/A	6,723	7,508
Non-Controlling Interests	(740)	N/A	(1,041)	(545)
	<u>(1,468)</u>	<u>N/A</u>	<u>5,682</u>	<u>6,963</u>
Earning per share (sen) ⁽³⁾				
Basic/Diluted	B13	(0.30)	N/A	3.07
		<u>(0.30)</u>	<u>N/A</u>	<u>3.38</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached in the interim financial report.
 - (2) This is the first interim financial report for the fourth quarter ended 31 December 2021 being announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter as there is no interim financial report prepared for the comparative period concerned.
 - (3) Computed based on profit attributable to owners of the Company divided by the number of ordinary shares outstanding of 223,051,500 after completion of the Initial Public Offering ("**IPO**") of the Company on 13 July 2021.
- N/A Not applicable

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31/12/2021 RM'000	Audited As at 31/12/2020 RM'000
ASSETS		
Non-Current Assets		
Property and equipment	1,854	1,296
Investment property	751	768
Right-of-use assets	837	623
Development costs	3,942	725
Total Non-Current Assets	<u>7,384</u>	<u>3,412</u>
Current Assets		
Inventories	-	240
Trade receivables	33,005	11,579
Other receivables, deposits, and prepayments	496	1,666
Current tax assets	-	14
Contract assets	190	-
Cash and bank balances	8,204	2,844
Total Current Assets	<u>41,895</u>	<u>16,343</u>
TOTAL ASSETS	<u>49,279</u>	<u>19,755</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	29,899	510
Reserves	14,222	8,312
Equity attributable to owners of the Company	<u>44,121</u>	<u>8,822</u>
Non-controlling interests	(3,096)	(2,055)
TOTAL EQUITY	<u>41,025</u>	<u>6,767</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) ⁽¹⁾

	Note	Unaudited As at 31/12/2021 RM'000	Audited As at 31/12/2020 RM'000
EQUITY AND LIABILITIES (CONTINUED)			
LIABILITIES			
Non-Current Liabilities			
Redeemable convertible preference shares		-	4,737
Lease liabilities	B9	223	151
Term loans	B9	1,432	1,758
Provision for employment benefits obligations		108	82
Total Non-Current Liabilities		1,763	6,728
Current Liabilities			
Trade payables		22	593
Other payables and accruals		4,359	3,424
Lease liabilities	B9	463	341
Term loans	B9	311	367
Short-term borrowings	B9	1,156	1,203
Contract liabilities		57	136
Current tax liabilities		123	196
Total Current Liabilities		6,491	6,260
TOTAL LIABILITIES		8,254	12,988
TOTAL EQUITY AND LIABILITIES		49,279	19,755
Net assets per share attributable to ordinary equity holders (RM) ⁽²⁾		0.18	0.03

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached in the interim financial report.
- (2) Computed based on total equity divided by the number of ordinary shares outstanding of 223,051,500 after completion of the IPO of the Company on 13 July 2021.

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
Balance as at 1/1/2021	510	(260)	246	8,326	8,822	(2,055)	6,767
Profit after taxation	-	-	-	6,838	6,838	(1,047)	5,791
Other comprehensive income/(loss):							
Foreign currency translation differences	-	-	(115)	-	(115)	6	(109)
Total comprehensive income/(loss)	-	-	(115)	6,838	6,723	(1,041)	5,682
Contributions by and distribution to owners of the Company:							
- Issuance of shares	29,389	(813)	-	-	28,576	-	28,576
Total transactions with owners	29,389	(813)	-	-	28,576	-	28,576
Balance as at 31/12/2021	29,899	(1,073)	131	15,164	44,121	(3,096)	41,025

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached in the interim financial report.

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
Balance as at 1/1/2020	510	(260)	271	793	1,314	(1,509)	(195)
Profit after taxation	-	-	-	7,533	7,533	(533)	7,000
Other comprehensive income/(loss):							
Foreign currency translation differences	-	-	(25)	-	(25)	(12)	(37)
Total comprehensive income/(loss)	-	-	(25)	7,533	7,508	(545)	6,963
Contributions by and distribution to owners of the Company:							
- Dividend by subsidiary to non-controlling interest	-	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	-	(1)	(1)
Balance as at 31/12/2020	510	(260)	246	8,326	8,822	(2,055)	6,767

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached in the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CUMULATIVE QUARTER	
	Period ended	
	31/12/2021	31/12/2020
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	5,844	7,415
Adjustments for:		
Amortisation of development costs	98	-
Depreciation of:		
-investment properties	17	17
-property and equipment	325	200
-right-of-use assets	218	246
Impairment losses:		
- trade receivables	499	213
- other receivables	-	18
Interest expense	330	411
Interest expense on lease liabilities	31	32
Listing expenses	1,867	1,475
COVID-19-related rent concessions	-	(107)
Gain on disposal of equipment	-	(48)
Unrealised loss on foreign exchange	163	47
Written off inventories	240	-
Interest income	(65)	(6)
Operating profit before working capital changes	9,567	9,913
Increase in inventories	-	(240)
Increase/(Decrease) in contract assets	(190)	893
Increase in trade and other receivables	(21,601)	(10,250)
Increase in trade and other payables	1,450	1,744
Decrease in contract liabilities	(79)	(7)
Increase in provision for employee benefit obligations	25	30
Net cash (for)/from operations	(10,828)	2,083
Income tax paid	(112)	(329)
Interest paid	(29)	(49)
Interest received	65	6
Net cash (for)/from operating activities	(10,904)	1,711

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) ⁽¹⁾

	CUMULATIVE QUARTER	
	Period ended	
	31/12/2021	31/12/2020
	RM'000	RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Development costs paid	(3,316)	(726)
Purchase of equipment	(1,315)	(297)
Proceeds from disposal of equipment	-	120
Net cash (for)/from investing activities	<u>(4,631)</u>	<u>(903)</u>
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Drawdown of term loans	-	1,965
Interest paid	(172)	(141)
Repayment to a director	-	(2,115)
Repayment of lease liabilities	194	(211)
Repayment of term loans	(382)	(332)
Repayment of flexi loans	(38)	(7)
Payment of listing expenses	(3,633)	(947)
Proceeds from issuance of ordinary shares	25,092	-
Net cash from/(for) financing activities	<u>21,061</u>	<u>(1,788)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,526	(980)
Effect of exchange translation differences	(157)	(59)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>2,236</u>	<u>3,275</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>7,605</u>	<u>2,236</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,204	2,844
Bank overdrafts	(599)	(608)
	<u>7,605</u>	<u>2,236</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached in the interim financial report.

A. SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO. 134 - INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of Ramssol Group Berhad and its subsidiaries (“Group”) have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Rule 9.22 of the Listing Requirements of Bursa Securities. These condensed consolidated interim financial statements also comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

This is the first interim financial report of condensed consolidated interim financial statements for the fourth quarter ended 31 December 2021 being announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus for the adoption of following Amendments to MFRSs:

- (a) the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s interim financial report.

A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. AUDITORS’ REPORT

The audited consolidated financial statements of the Group for the financial year ended 31 December 2020, 2019, 2018 and 2017 were not subject to any qualification.

A4. SEASONAL AND CYCLICAL FACTORS

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. UNUSUAL ITEMS

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

Save as disclosed below, there are no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities to the end of the interim financial period of 31 December 2021:

	Amount RM'000	Number of Share
Issued and fully paid shares		
At 1 Jan 2021	510	510
Issue of ordinary shares of the Company ^{(a), (b), (c) and (d)}	29,389	222,542
At 31 December 2021	<u>29,899</u>	<u>223,052</u>

(a) Acquisition

On 18 August 2020, the Company entered into a conditional Share Sale Agreement (“SSA”) with the shareholders of RAMS Solutions Sdn Bhd (“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.

(b) Conversion of RCPS

The RCPS comprises of:

- (i) 3,553,000 Class A RCPS which are offered to the business associates of Datuk Seri 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 persons connected to Datuk Seri Tan Chee Seng or Lee Miew Lan 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.

A7. DEBT AND EQUITY SECURITIES (CONTINUED)

(b) Conversion of RCPS (continued)

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. Following the completion of the conversion of RCPS, the issued share capital has increased from 3,460,000 Shares to 3,890,500 Shares.

(c) 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.

(d) Public Issue and Offer for Sales

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:

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

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

Upon the completion of the Public Issue, the ordinary shares of the Company had increased from 167,291,500 Shares to 223,051,500 Shares.

The Prospectus was launched on 22 June 2021 and the Company's shares were listed on the ACE Market of Bursa Securities on 13 July 2021.

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A8. DIVIDEND PAID

There was no dividend paid during the current quarter under review.

A9. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their geographical region. No segmental analysis by business segment is prepared as the Group operates predominantly in one industry.

(The rest of this page is intentionally left blank)

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2021	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	46,730	2,682	1,463	1,649	52,524
Inter-segment	360	-	-	661	1,021
	<u>47,090</u>	<u>2,682</u>	<u>1,463</u>	<u>2,310</u>	<u>53,545</u>
Adjustments/eliminations on combination					<u>(1,021)</u>
Consolidated revenue					<u>52,524</u>
Results					
Segment profit/(loss) before interest and taxation	2,388	(87)	(1,086)	(1,407)	(192)
Finance costs					(361)
Adjustments/eliminations on combination					<u>6,397</u>
Profit before taxation					<u>5,844</u>
Income tax expense					<u>(53)</u>
Profit after taxation					<u>5,791</u>

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A9. SEGMENTAL INFORMATION (CONTINUED)

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2021	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	7,142	-	172	70	7,384
Segment assets/Consolidated total assets	45,185	575	1,982	1,537	49,279
Liabilities					
Segment liabilities	7,536	300	163	132	8,131
Unallocated liabilities:					
- current tax liabilities					123
Consolidated total liabilities					8,254

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2020	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	12,626	2,835	7,554	2,316	25,331
Inter-segment	-	-	-	136	136
	<u>12,626</u>	<u>2,835</u>	<u>7,554</u>	<u>2,452</u>	<u>25,467</u>
Adjustments/eliminations on combination					(136)
Consolidated revenue					<u>25,331</u>
Results					
Segment profit/(loss) before interest and taxation	2,884	(1,188)	2,761	(417)	4,040
Finance costs					(443)
Adjustments/eliminations on combination					<u>3,818</u>
Profit before taxation					7,415
Income tax expense					<u>(415)</u>
Profit after taxation					<u>7,000</u>

RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A9. SEGMENTAL INFORMATION (CONTINUED)

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2020	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	3,045	50	225	92	3,412
Segment assets	13,474	958	4,034	1,275	19,741
Unallocated assets:					
- current tax assets					14
Consolidated total assets					19,755
Liabilities					
Segment liabilities	10,985	644	788	375	12,792
Unallocated liabilities:					
- current tax liabilities					196
Consolidated total liabilities					12,988

A10. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE INTERIM FINANCIAL PERIOD

There are no other significant events subsequent to the end of the interim financial period.

A11. SIGNIFICANT RELATED PARTY TRANSACTIONS

The related party transactions described below were carried out on terms and conditions negotiated amongst the parties. The significant related party transactions are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/12/2021	31/12/2020 ⁽¹⁾	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to directors	(48)	N/A	(192)	(48)

The rental paid or payable to directors are derived from office spaces provided by Datuk Seri Tan Chee Seng and Lee Miew Lan. Details of the office spaces are as disclosed in the Prospectus of the Company dated 22 June 2021. The rental payable does not include the rental from the tenancy agreement entered into on 29 November 2021 as the landlords, Datuk Seri Tan Chee Seng and Lee Miew Lan have granted 2 months rent-free period to Rams Solutions Sdn. Bhd..

Note:

(1) No comparative figures for the preceding corresponding quarter are available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

(The rest of this page is intentionally left blank)

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL PERIOD TO DATE

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Period ended		Changes	Period ended		Changes
	31/12/2021	31/12/2020 ⁽¹⁾		31/12/2021	31/12/2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue from:						
Malaysia	15,534	N/A	N/A	46,730	12,626	>100
Singapore	757	N/A	N/A	2,682	2,835	(5.4)
Thailand	762	N/A	N/A	1,463	7,554	(80.6)
Others [#]	772	N/A	N/A	1,649	2,316	(28.8)
	<u>17,825</u>	<u>N/A</u>		<u>52,524</u>	<u>25,331</u>	

#Others are revenue generated from Indonesia only

The Group's revenue of RM17.83 million and RM 52.52 million for individual quarter and cumulative quarter respectively are mainly contributed from the continuity of projects for provision of HCM technology applications for an existing customer in Malaysia since August 2020, also provision of HCM technology applications and provision of HCM and student management solutions for several new customers in Malaysia since Q3 2021. However, the revenue contributed from Thailand and Indonesia had decreased in FYE 2021 as compared to FYE 2020 because most of the milestones of the projects has completed in FYE 2020 and the final milestone was completed in Q4 2021. Both Thailand and Indonesia continues to generate revenue from annual maintenance support of which the amount was not substantial compared to FYE 2020.

The Group recorded a lower gross profit margin of 52.47% for FYE 2021 as compared to 60.56% in FYE 2020 as the staff cost incurred for research and development in FYE 2021 was expensed off as it does not meet capitalisation criteria in accordance with the accounting standard.

The Group's profit before interest and taxation of RM6.21 FYE 2021 million is lower compared to FYE 2020 of RM7.86 million mainly due to decrease in revenue for both Thailand and Indonesia as mentioned above. The decrease is also contributed by the increased in the sales and marketing expense incurred in FYE 2021 for project launching such as follows:

- EXCEL Program (Corporate Liability & Organisational Anti-Corruption Plan);
- Partnership with Impiana Hotels Bhd to provide Human Resources Development Corporation (HRD Corp) certified training programmes;
- Strategic Marketing and Collaboration Agreement with ELMU V Sdn. Bhd.;
- Partnership with artificial intelligence robotic process automation (AI-RPA) firm, Laiye for intelligent automation technology across Southeast Asia; and
- Expansion of Feet's and Lark in SEA.

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL PERIOD TO DATE (CONTINUED)

The Group's profit after taxation of RM5.79 million for cumulative quarter are derived after deducting administrative expenses, other expenses, depreciation, finance costs and income tax expense. Administrative expenses include mainly staff cost from top management, sales and marketing, finance and administrative departments. Other expense for the cumulative quarters includes mainly IPO expenses quarter of RM1.87 million and inventories written off amounting to RM0.24 million. Finance cost include interest expenses from redeemable convertible preference shares and outstanding bank borrowings which are drawn for the purchase of office at Central Business District Perdana 2 and a SOHO at Cybersquare, purchase of motor vehicles for the Group and for working capital purposes.

Note:

- (1) No comparative figures for the preceding corresponding quarter are available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		
	Period ended		Changes %
	31/12/2021 RM'000	30/09/2021 RM'000	
Revenue	17,825	21,910	(18.6)
(Loss)/Profit before taxation	(1,386)	4,378	>(100)

The Group's revenue and profit before taxation significantly decreased in Q4 2021 due to decrease in number of projects completed as compared to immediate preceding quarter. The increase of sales and marketing expense in Malaysia due to project launching activities as mentioned in Note B1 also contributed to the loss before taxation in Q4 2021.

B3. PROSPECTS

During the COVID-19 pandemic, different countries have its own iterations of lockdowns and social distancing in place. This has contributed to reduced movement amongst its population and workforce as well as a drop in business activities across most sectors. However, there are a few sectors that have seen an increase in their business activities during this period. Most if not all companies have adopted a “Work from Home” policy for its employees. Likewise, educational institutions have also adopted a home-based study curriculum. The Group will address the challenges and the opportunities mentioned above through its principal business activities as follows:

(a) Provision of HCM and student management solutions

The digitalisation of HR functions for greater operational and cross-departmental efficiency as well as increased productivity is expected to drive the demand for HCM and student management solutions. Also, HCM and student management 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. Organisations needs to adopt innovative tech solutions to cope with future business needs, hence HCM solutions with adaptable and innovative technology that provides customisation to meet different organisations’ needs are necessary. With this in mind, the Group is still positive with regard to performance for the FYE 2022 especially during this COVID-19 pandemic.

(b) Provision of IT staff augmentation

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. Also, the trends to accelerate business’ digital transformation to ensure business continuity operations will drive the demand for IT staff augmentation services as well especially during this COVID-19 pandemic. We had recently collaborated with Laiye to expand our market in South East Asia. With this in mind, the Group is still positive with regard to performance for the FYE 2022 especially during this COVID-19 pandemic.

(c) Provision of HCM technology applications

Workplace digital transformation is taking place rapidly. A secure digital workspace and seamless communication to connect employees are crucial. Hence, effective predictive analytics capabilities such as the use of AI, multiple communication, and collaborative tools are the key going forward that enable employers to manage their workforce. Lark and Zoom will optimise productivity and facilitating workplace digital transformations especially during this COVID-19 pandemic. With this in mind, the Group is still positive with regard to performance for the FYE 2022 especially during this COVID-19 pandemic.

B3. PROSPECTS (CONTINUED)

(d) Provision of Training

The Group's primary objective is to maximise profitability and commit to creating long term value for our shareholders, environment and society through best practices, compliance, innovation and overall operation's excellency. The major strategy of the Group is to look beyond its traditional business and always look for new business opportunity. At the same time, the Company is creating new relationship with Human Resources Development Corporation (HRD Corp), Elmu V Sdn Bhd and Laiye for various training programme.

The Group understands the importance of human capital and have undertaken various training programs to strengthen the Group's human resources in order to sustain and improve the Company's operational efficiency. We will continuously review the risk management and business sustainability situation, which includes processes aimed at addressing and mitigating risks and at the same time sustaining growth to achieve the Group's business objectives.

B4. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

(The rest of this page is intentionally left blank)

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B5. PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/12/2021	31/12/2020 ⁽¹⁾	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	N/A	98	N/A
Depreciation of:				
-investment properties	4	N/A	17	17
-property, plant and equipment	164	N/A	325	200
-right-of-use assets	(1)	N/A	218	246
Interest expense:				
-bank overdraft	1	N/A	29	49
-flexi loan	14	N/A	34	23
-term loans	18	N/A	107	95
-redeemable convertible preference shares	-	N/A	160	244
Interest expense on lease liabilities	15	N/A	31	32
Impairment losses on:				
-trade receivables	499	N/A	499	213
-other receivables	-	N/A	-	18
Short-term leases	84	N/A	228	135
Written off inventories	-	N/A	240	-
Net loss on foreign exchange:				
-realised	(5)	N/A	41	9
-unrealised	44	N/A	163	47
COVID-19-related subsidies from government	(12)	N/A	(69)	(263)
Interest income	(22)	N/A	(65)	(6)
Rental income from investment property	(14)	N/A	(52)	(36)

Note:

(1) No comparative figures for the preceding corresponding quarter are available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B6. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/12/2021	31/12/2020 ⁽¹⁾	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:		N/A		
-Malaysian income tax	38		44	65
-Foreign income tax	(4)	N/A	9	350
Tax expense	34	N/A	53	415
Effective tax rate	-2.5%	N/A	0.9%	5.6%

Note:

(1) No comparative figures for the preceding corresponding quarter are available as this is the first interim financial report on the consolidated results for the fourth quarter ended 31 December 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B7. UTILISATION OF PROCEEDS FROM THE IPO

The gross proceeds from the IPO amounting to RM25.09 million is intended to be utilised in the following manner:

Details of Use of Proceeds	Proposed Utilisation RM'000	Actual Utilisation ⁽²⁾ RM'000	Deviation RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
Business expansion	8,851	3,580	5,271	Within 24 months
Research and development expenditure	4,101	3,900 ⁽³⁾	201	Within 24 months
Working capital	7,560	4,830 ⁽⁴⁾	2,730	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	25,092	16,890	8,202	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 22 June 2021. The IPO was completed on 13 July 2021 with the listing of the Company on ACE Market of Bursa Securities.
- (2) Utilisation as at the date of this interim financial report.

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B7. UTILISATION OF PROCEEDS FROM THE IPO (CONTINUED)

- (3) Included in the actual utilisation of research and development expenditure are as follows:-
- In respect of purchase of software license amounted to RM1.02 million, this was utilised for purchase of HRMS software license instead of Oracle Corp's cloud based HCM software as disclosed in the prospectus.
 - An amount of RM2.29 million was utilised for HRMS technical consultancy and data analytics services instead of the enhancement of Feet's software through incorporation of AI technology as disclosed in the prospectus.
- (4) Included in the actual utilisation of general working capital, under the category of overseas travelling and accommodation was an amount of RM0.89 million utilised by the sales and marketing personnel's local travelling.

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B8. STATUS OF CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at the date of this interim financial report.

B9. BORROWINGS

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
Current		
Secured:		
Bank overdraft	599	608
Flexi loan	557	595
Term loans	311	367
Lease liabilities	463	341
	<u>1,930</u>	<u>1,911</u>
Non-current		
Secured:		
Term loans	1,432	1,758
Lease liabilities	223	151
	<u>1,655</u>	<u>1,909</u>
Total borrowings:		
Bank overdraft	599	608
Flexi loan	557	595
Term loans	1,743	2,125
Lease liabilities	686	492
	<u>3,585</u>	<u>3,820</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	3,585	3,510
Singapore Dollar	-	200
Thai Baht	-	110
	<u>3,585</u>	<u>3,820</u>

B10. DERIVATIVES

The Group did not enter into any derivatives during the current quarter under review.

RAMSSOL GROUP BERHAD

(Company No. 201901001120) (1310446 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B11. MATERIAL LITIGATION

There are no litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B12. DIVIDEND PROPOSED

No dividend was proposed for the current quarter ended 31 December 2021.

B13. EARNING PER SHARES ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
(Loss)/Profit attributable to owners of the Company (RM'000)	(680)	N/A	6,838	7,533
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	223,052	N/A	223,052	223,052
Basic/Diluted EPS (sen) ⁽²⁾	(0.30)	N/A	3.07	3.38

Notes:

- (1) Based on the number of shares after completion of the IPO Exercise as disclosed in the Prospectus of the Company dated 22 June 2021.
- (2) The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the interim financial period.

B14. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report as set out above was approved by the Board of Directors in accordance with their resolution dated 25 February 2022.