

RAMSSOL GROUP BERHAD  
(Company No. 201901001120) (1310446 - A)  
(Incorporated in Malaysia)  
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Note	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	8,379	5,081	8,379	5,081
Cost of sales	(4,573)	(1,692)	(4,573)	(1,692)
Gross profit	3,806	3,389	3,806	3,389
Other income	41	52	41	52
	3,847	3,441	3,847	3,441
Administrative expenses	(2,769)	(1,847)	(2,769)	(1,847)
Other expenses	(5)	(438)	(5)	(438)
Depreciation and amortisation	(184)	(131)	(184)	(131)
	(2,958)	(2,416)	(2,958)	(2,416)
Profit from operations	889	1,025	889	1,025
Finance costs	(54)	(180)	(54)	(180)
Profit before taxation	B5 835	845	835	845
Income tax expense	B6 (3)	(5)	(3)	(5)
Profit after taxation	832	840	832	840
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	10	(15)	10	(15)
Total comprehensive income for the financial period	842	825	842	825

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Note	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:				
Owners of the Company	1,041	992	1,041	992
Non-Controlling Interests	(209)	(152)	(209)	(152)
	<u>832</u>	<u>840</u>	<u>832</u>	<u>840</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	1,050	978	1,050	978
Non-Controlling Interests	(208)	(153)	(208)	(153)
	<u>842</u>	<u>825</u>	<u>842</u>	<u>825</u>
Earning per share (sen)				
Basic/Diluted	B13	0.56	0.53	0.56
		<u>0.53</u>	<u>0.56</u>	<u>0.53</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>

	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and equipment	2,386	1,854
Investment property	747	751
Right-of-use assets	1,068	823
Development costs	4,884	3,943
Total Non-Current Assets	<u>9,085</u>	<u>7,371</u>
<b>Current Assets</b>		
Inventories	114	-
Trade receivables	30,658	33,005
Other receivables, deposits, and prepayments	1,033	567
Current tax assets	-	-
Contract assets	85	190
Cash and bank balances	8,508	8,204
Total Current Assets	<u>40,398</u>	<u>41,966</u>
<b>TOTAL ASSETS</b>	<u>49,483</u>	<u>49,337</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	29,899	29,899
Reserves	15,208	14,158
Equity attributable to owners of the Company	<u>45,107</u>	<u>44,057</u>
Non-controlling interests	(3,359)	(3,151)
<b>TOTAL EQUITY</b>	<u>41,748</u>	<u>40,906</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) <sup>(1)</sup>

	Note	Unaudited As at 31/03/2022 RM'000	Audited As at 31/12/2021 RM'000
<b>EQUITY AND LIABILITIES (CONTINUED)</b>			
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities	B9	338	223
Term loans	B9	1,346	1,432
Provision for employment benefits obligations		109	108
Total Non-Current Liabilities		<u>1,793</u>	<u>1,763</u>
<b>Current Liabilities</b>			
Trade payables		146	22
Other payables and accruals		3,262	4,434
Amount owing to a director		-	113
Lease liabilities	B9	495	452
Term loans	B9	314	311
Short-term borrowings	B9	1,151	1,156
Contract liabilities		502	57
Current tax liabilities		72	123
Total Current Liabilities		<u>5,942</u>	<u>6,668</u>
<b>TOTAL LIABILITIES</b>		<u>7,735</u>	<u>8,431</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>49,483</u>	<u>49,337</u>
<b>Net assets per share attributable to ordinary equity holders (RM) <sup>(2)</sup></b>		<u>0.22</u>	<u>0.22</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in the interim financial report.
- (2) Net assets per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period. For comparative purpose, it is assumed that the number of ordinary shares arising from the Acquisition, the Conversion of RCPS, the Subdivision of Shares and Public Issue were in issue throughout the financial year.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	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 1/1/2022	29,899	(1,073)	131	15,100	44,057	(3,151)	40,906
Profit after taxation	-	-	-	1,041	1,041	(209)	832
Other comprehensive income/(loss): Foreign currency translation differences	-	-	9	-	9	1	10
Total comprehensive income/(loss)	-	-	9	1,041	1,050	(208)	842
Balance as at 31/03/2022	29,899	(1,073)	140	16,141	45,107	(3,359)	41,748

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	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	-	-	-	992	992	(152)	840
Other comprehensive income/(loss): Foreign currency translation differences	-	-	(14)	-	(14)	(1)	(15)
Total comprehensive income/(loss)	-	-	(14)	992	978	(153)	825
Balance as at 31/03/2021	510	(260)	232	9,318	9,800	(2,208)	7,592

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	CUMULATIVE QUARTER	
	Period ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	835	845
Adjustments for:		
Amortisation of development costs	59	-
Depreciation of:		
-investment properties	4	4
-property and equipment	68	58
-right-of-use assets	53	69
Interest expense	52	178
Interest expense on lease liabilities	2	2
Listing expenses	-	381
Unrealised loss on foreign exchange	-	40
Interest income	(9)	(1)
Operating profit before working capital changes	1,064	1,576
Increase in inventories	(114)	-
Decrease in contract assets	106	-
Decrease in trade and other receivables	1,879	1,078
Decrease in trade and other payables	(1,038)	(1,090)
Increase/(Decrease) in contract liabilities	445	(18)
Increase/(Decrease) in provision for employee benefit obligations	1	(1)
Net cash (for)/from operations	2,343	1,545
Income tax paid	(55)	(61)
Interest paid	(19)	(27)
Interest received	9	-
Net cash (for)/from operating activities	2,278	1,457

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) <sup>(1)</sup>

	CUMULATIVE QUARTER	
	Period ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Development costs paid	(1,000)	(217)
Purchase of equipment	(898)	(230)
Proceeds from disposal of equipment	-	-
Net cash (for)/from investing activities	<u>(1,898)</u>	<u>(447)</u>
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Drawdown of term loans	-	-
Interest paid	(35)	(41)
Repayment to a director	(114)	-
Repayment of lease liabilities	159	(114)
Repayment of term loans	(82)	(83)
Repayment of flexi loans	(7)	(14)
Payment of listing expenses	-	(1,090)
Net cash from/(for) financing activities	<u>(79)</u>	<u>(1,342)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	301	(332)
Effect of exchange translation differences	1	(40)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>7,605</u>	<u>2,236</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>7,907</u>	<u>1,864</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,508	1,992
Bank overdrafts	(601)	(128)
	<u>7,907</u>	<u>1,864</u>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 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 interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 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):

<b>MFRSs and/or IC Interpretations (including the consequential amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	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) 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:

<b>MFRSs and/or IC Interpretations (including the consequential amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
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

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 2021 was 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

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review.

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.

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A9. SEGMENTAL INFORMATION (CONTINUED)

<b>Geographical segment</b>	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2022	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External customers	7,639	491	64	185	8,379
Inter-segment	-	-	-	125	125
	<u>7,639</u>	<u>491</u>	<u>64</u>	<u>310</u>	<u>8,504</u>
Adjustments/eliminations on combination					(125)
Consolidated revenue					<u>8,379</u>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	1,671	(44)	(338)	(400)	889
Finance costs					(54)
Adjustments/eliminations on combination					-
Profit before taxation					<u>835</u>
Income tax expense					(3)
Profit after taxation					<u>832</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

<b>Geographical segment</b>	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2022	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Non-current assets	8,857	-	165	63	9,085
Segment assets/Consolidated total assets	45,778	502	1,599	1,604	49,483
<b>Liabilities</b>					
Segment liabilities	6,444	285	284	650	7,663
Unallocated liabilities:					
- current tax liabilities					72
Consolidated total liabilities					7,735

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A9. SEGMENTAL INFORMATION (CONTINUED)

<b>Geographical segment</b>	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2021	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External customers	4,409	645	27	-	5,081
Inter-segment	-	-	-	115	115
	<u>4,409</u>	<u>645</u>	<u>27</u>	<u>115</u>	<u>5,196</u>
Adjustments/eliminations on combination					(115)
Consolidated revenue					<u>5,081</u>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	2,144	(89)	(479)	(517)	1,059
Finance costs					(180)
Adjustments/eliminations on combination					(34)
Profit before taxation					<u>845</u>
Income tax expense					(5)
Profit after taxation					<u>840</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

<b>Geographical segment</b>	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2021	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Non-current assets	3,399	31	213	86	3,729
Segment assets/Combined total assets	13,437	538	2,875	1,332	18,182
<b>Liabilities</b>					
Segment liabilities	9,529	397	459	79	10,464
Unallocated liabilities:					
- current tax liabilities					126
Consolidated total liabilities					10,590

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	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to directors	(72)	(48)	(72)	(48)

The rental paid or payable to directors are derived from office spaces provided by Datuk Seri Tan Chee Seng and Lee Miew Lan. The office is located at headquarters as disclosed in the Annual report for the financial year ended 31 December 2021. The increase in current quarter is rental paid or payable for additional units from respective directors.

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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
	31/03/2022	31/03/2021		31/03/2022	31/03/2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue from:						
Malaysia	7,639	4,409	73.3	7,639	4,409	73.3
Singapore	491	645	(23.9)	491	645	(23.9)
Thailand	64	27	>100	64	27	>100
Others <sup>#</sup>	185	-	100	185	-	100
	<u>8,379</u>	<u>5,081</u>		<u>8,379</u>	<u>5,081</u>	

*#Others are revenue generated from Indonesia only*

The Group's revenue of RM8.38 million for Q1 2022 is higher compared to Q1 2021 mainly due from the continuity of projects for provision of HCM and student management solutions for several new customers in Malaysia since last financial year. However, the revenue contributed from Singapore had decreased in Q1 2022 as compared to Q1 2021 because lower resource required by an existing customer. Both Thailand and Indonesia continues to generate revenue from annual maintenance support and software license of which the amount was not substantial compared to group revenue.

The Group recorded a lower gross profit margin of 45.42% for Q1 2022 as compared to 66.69% in Q1 2021 as the staff cost incurred for research and development in Q1 2022 was expensed off as it does not meet capitalisation criteria in accordance with the accounting standard, while the staff cost incurred for research and development in Q1 2021 was capitalised.

The Group's profit before interest and taxation of RM0.89 in Q1 2022 million is lower compared to Q1 2021 of RM1.03 million mainly due to lower gross profit margin as mentioned above.

The Group's profit after taxation of RM0.83 million for Q1 2022 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 Q1 2022 includes mainly realised loss on foreign exchange. Finance cost include interest expenses from 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.

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

The Group's profit after taxation of RM0.84 million for Q1 2021 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 Q1 2021 includes mainly IPO expenses of RM0.38 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.

## B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

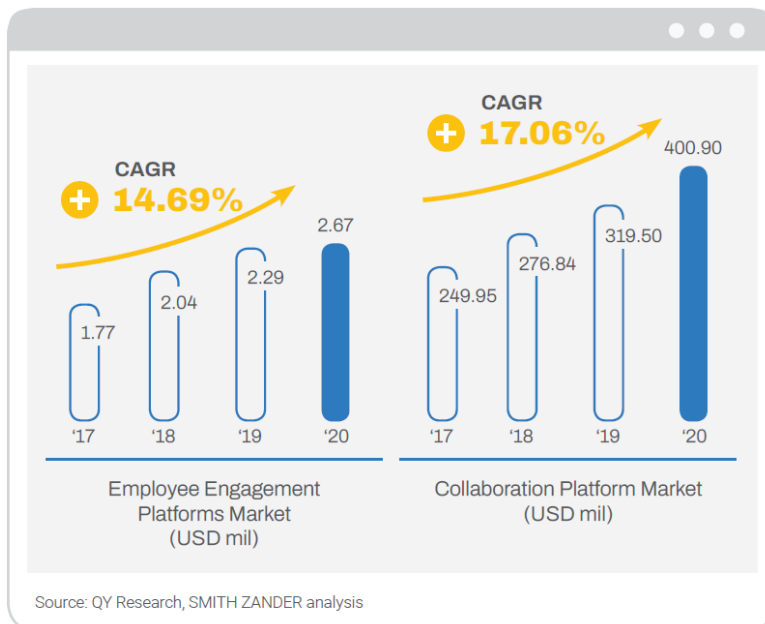
	INDIVIDUAL QUARTER		
	Period ended		Changes %
	31/03/2022 RM'000	31/12/2021 RM'000	
Revenue	<u>8,379</u>	<u>17,825</u>	(52.9)
Profit/(Loss) before taxation	<u>835</u>	<u>(1,505)</u>	>100

The Group's revenue significantly decreased in Q1 2022 because lower number of projects was performed in Q1 2022 as compared to Q4 2021 whereas most of the milestones of the projects was completed.

The Group's profit before taxation significantly increased in Q1 2022 because lower sales and marketing expense recorded in Q1 2022 as compared to Q4 2021 in Malaysia for project launching activities that was held in Q4 2021.

**B3. PROSPECTS AND OUTLOOK**

Since the outbreak of COVID-19, there has been a surge in demand for employee engagement and collaboration platforms. In Ramssol’s target markets (Malaysia, Singapore, Thailand and Indonesia), the market for these platforms grew from USD1.77million (RM7.61million) in 2017 to USD2.67 million (RM11.22 million) in 2020 at a CAGR of 14.69%.



As such, the Group has highlighted this as an opportunity to expand the presence of Feet’s and Lark within the target markets. This expansion is expected to contribute positively to the Group’s financial performance.

Throughout the pandemic period, the various lockdown measures across the globe resulted in a drop in business activities across most sectors. There were, however, a few sectors that saw an increase in business activity, particularly companies that provide the necessary tools to support working and studying at home. The Group is well-positioned to capitalise on the growing adoption of digitalisation.

The digitalisation of HR functions for greater operational and cross departmental efficiency and increased productivity is expected to drive the demand for HCM and Student Management Solutions. Organisations will need to adopt innovative tech solutions to cope with future business needs.

The future and present digital transformation of businesses has led to an increased demand for ad-hoc IT personnel with specialised skillsets, which augurs well for our IT Staff Augmentation business.

**B3. PROSPECTS AND OUTLOOK (CONTINUED)**

With increasing digitalisation, security and seamless connectivity have become essentials in the workplace. Effective predictive analytics such as AI, multiple communication, and collaborative tools are crucial to managing the workforce.

Lark and Zoom are tools to optimize productivity and facilitate workplace digital transformations. With these opportunities, the Group maintains a positive outlook for FY2022.

**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.

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B5. PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2022	Quarter ended 31/03/2021	Period ended 31/03/2022	Period ended 31/03/2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	-	59	-
Depreciation of:				
-investment properties	4	4	4	4
-property, plant and equipment	68	58	68	58
-right-of-use assets	53	69	53	69
Interest expense:				
-bank overdraft	19	24	19	24
-flexi loan	7	4	7	4
-term loans	26	38	26	38
-redeemable convertible preference shares	-	112	-	112
Interest expense on lease liabilities	2	2	2	2
Short-term leases	97	37	97	37
Net loss on foreign exchange:				
-realised	2	15	2	15
-unrealised	-	40	-	40
COVID-19-related subsidies from government	(27)	(31)	(27)	(31)
Interest income	(9)	(1)	(9)	(1)
Rental income from investment property	(14)	(12)	(14)	(12)

B6. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
-Malaysian income tax	3	5	3	5
-Foreign income tax	-	-	-	-
Tax expense	<u>3</u>	<u>5</u>	<u>3</u>	<u>5</u>
Effective tax rate	<u>0.4%</u>	<u>0.6%</u>	<u>0.4%</u>	<u>0.6%</u>

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 <sup>(2)</sup> RM'000	Deviation RM'000	Estimated Timeframe for Utilisation Upon Listing <sup>(1)</sup>
Business expansion	8,851	3,818	5,033	Within 24 months
Research and development expenditure	4,101	3,900 <sup>(3)</sup>	201	Within 24 months
Working capital	7,560	5,011 <sup>(4)</sup>	2,549	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	<u>25,092</u>	<u>17,309</u>	<u>7,783</u>	

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.

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.

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 31/03/2022 RM'000	As at 31/12/2021 RM'000
<b>Current</b>		
Secured:		
Bank overdraft	601	599
Flexi loan	550	557
Term loans	314	311
Lease liabilities	495	452
	<u>1,960</u>	<u>1,919</u>
<b>Non-current</b>		
Secured:		
Term loans	1,346	1,432
Lease liabilities	338	223
	<u>1,684</u>	<u>1,655</u>
<b>Total borrowings:</b>		
Bank overdraft	601	599
Flexi loan	550	557
Term loans	1,660	1,743
Lease liabilities	833	675
	<u>3,644</u>	<u>3,574</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	3,644	3,574
Singapore Dollar	-	-
Thai Baht	-	-
	<u>3,644</u>	<u>3,574</u>

B10. DERIVATIVES

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



**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 March 2022.

**B13. EARNING PER SHARES ("EPS")**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
(Loss)/Profit attributable to owners of the Company (RM'000)	1,041	992	1,041	992
Weighted average number of ordinary shares in issue ('000)	186,929	186,929 <sup>(1)</sup>	186,929	186,929 <sup>(1)</sup>
Basic/Diluted EPS (sen) <sup>(2)</sup>	0.56	0.53	0.56	0.53

Notes:

- (1) For computation of basic earnings per share for the financial period ended 31 March 2021, it is assumed that the number of ordinary shares arising from the Acquisition, the Conversion of RCPS, the Subdivision of Shares and Public Issue were in issue throughout the financial year.
- (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 31 May 2022.