



RAMSSOLGROUP

RAMSSOL GROUP BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022



RAMSSOLGROUP

RAMSSOL GROUP BERHAD

Company No: 201901001120 (1310446-A)

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
Note	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	6,896	21,910	21,749	34,699
Cost of sales	(2,877)	(12,900)	(10,375)	(16,808)
Gross profit	4,019	9,010	11,374	17,891
Other income	81	60	331	143
	4,100	9,070	11,705	18,034
Administrative expenses	(2,617)	(3,389)	(7,892)	(7,967)
Other expenses	(31)	(1,084)	(43)	(2,092)
Depreciation and amortisation	(180)	(176)	(542)	(432)
	(2,828)	(4,649)	(8,477)	(10,491)
Profit from operations	1,272	4,421	3,228	7,543
Finance costs	(95)	(43)	(192)	(313)
Profit before taxation	B5 1,177	4,378	3,036	7,230
Income tax expense	B6 (4)	(1)	(19)	(19)
Profit after taxation	1,173	4,377	3,017	7,211
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(22)	(26)	(17)	(61)
Total comprehensive income for the financial period	1,151	4,351	3,000	7,150

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Note	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:				
Owners of the Company	1,363	4,346	3,648	7,518
Non-Controlling Interests	(190)	31	(631)	(307)
	<u>1,173</u>	<u>4,377</u>	<u>3,017</u>	<u>7,211</u>
Total comprehensive income attributable to:				
Owners of the Company	1,334	4,314	3,623	7,451
Non-Controlling Interests	(183)	37	(623)	(301)
	<u>1,151</u>	<u>4,351</u>	<u>3,000</u>	<u>7,150</u>
Earning per share (sen)				
Basic/Diluted	B13	0.73	2.32	1.95
		<u>4.02</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 ⁽¹⁾

	Unaudited As at 30/09/2022 RM'000	Audited As at 31/12/2021 RM'000
Note		
ASSETS		
Non-Current Assets		
Property and equipment	3,470	1,854
Investment property	739	751
Right-of-use assets	962	823
Development costs	7,968	3,943
Other Investment	4,000	-
Total Non-Current Assets	<u>17,139</u>	<u>7,371</u>
Current Assets		
Inventories	357	-
Trade receivables	18,721	33,005
Other receivables, deposits, and prepayments	2,499	567
Contract assets	147	190
Cash and bank balances	18,962	8,204
Total Current Assets	<u>40,686</u>	<u>41,966</u>
TOTAL ASSETS	<u>57,825</u>	<u>49,337</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	29,899	29,899
Reserves	17,781	14,158
Equity attributable to owners of the Company	<u>47,680</u>	<u>44,057</u>
Non-controlling interests	(3,774)	(3,151)
TOTAL EQUITY	<u>43,906</u>	<u>40,906</u>

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

	Note	Unaudited As at 30/09/2022 RM'000	Audited As at 31/12/2021 RM'000
EQUITY AND LIABILITIES (CONTINUED)			
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	B9	211	223
Term loans	B9	5,735	1,432
Provision for employment benefits obligations		107	108
Total Non-Current Liabilities		<u>6,053</u>	<u>1,763</u>
Current Liabilities			
Trade payables		34	22
Other payables and accruals		1,707	4,434
Amount owing to a director		-	113
Lease liabilities	B9	367	452
Term loans	B9	321	311
Short-term borrowings	B9	5,214	1,156
Contract liabilities		180	57
Current tax liabilities		43	123
Total Current Liabilities		<u>7,866</u>	<u>6,668</u>
TOTAL LIABILITIES		<u>13,919</u>	<u>8,431</u>
TOTAL EQUITY AND LIABILITIES		<u>57,825</u>	<u>49,337</u>
Net assets per share attributable to ordinary equity holders (RM) ⁽²⁾		<u>0.23</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 ⁽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 1/1/2022	29,899	(1,073)	131	15,100	44,057	(3,151)	40,906
Profit after taxation	-	-	-	3,648	3,648	(631)	3,017
Other comprehensive income/(loss): Foreign currency translation differences	-	-	(25)	-	(25)	8	(17)
Total comprehensive income/(loss)	-	-	(25)	3,648	3,623	(623)	3,000
Balance as at 30/09/2022	29,899	(1,073)	106	18,748	47,680	(3,774)	43,906

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 ⁽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	-	-	-	7,518	7,518	(307)	7,211
Other comprehensive income/(loss):							
Foreign currency translation differences	-	-	(67)	-	(67)	6	(61)
Total comprehensive income/(loss)	-	-	(67)	7,518	7,451	(301)	7,150
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 30/09/2021	29,899	(1,073)	179	15,844	44,849	(2,356)	42,493

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 ⁽¹⁾

	CUMULATIVE QUARTER	
	Period ended	
	30/09/2022	30/09/2021
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	3,036	7,230
Adjustments for:		
Amortisation of development costs	177	39
Depreciation of:		
-investment properties	13	13
-property and equipment	193	161
-right-of-use assets	159	219
Interest expense	177	297
Interest expense on lease liabilities	15	16
Listing expenses	-	1,692
Unrealised (gain)/loss on foreign exchange	(155)	119
Written off inventories	-	240
Interest income	(16)	(43)
Operating profit before working capital changes	3,599	9,983
Increase in inventories	(357)	-
Decrease in contract assets	44	-
Decrease/(Increase) in trade and other receivables	12,350	(9,477)
(Decrease)/Increase in trade and other payables	(2,739)	33
Increase in contract liabilities	123	72
Decrease in provision for employee benefit obligations	(2)	(6)
Net cash from operations	13,018	605
Income tax paid	(100)	(75)
Interest paid	(29)	(28)
Interest received	16	43
Net cash from operating activities	12,905	545

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

	CUMULATIVE QUARTER	
	Period ended	
	30/09/2022	30/09/2021
	RM'000	RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Development costs paid	(4,202)	(2,816)
Purchase of equipment	(2,107)	(479)
Increase in other investment	(4,000)	-
Net cash for investing activities	<u>(10,309)</u>	<u>(3,295)</u>
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Drawdown of term loan	4,500	-
Interest paid	(163)	(125)
Repayment to a director	(114)	-
Repayment of lease liabilities	(96)	(196)
Repayment of term loans	(187)	(285)
Repayment of flexi loans	(20)	(31)
Payment of listing expenses	-	(3,633)
Proceeds from issuance of ordinary shares	-	25,092
Net cash from financing activities	<u>3,920</u>	<u>20,822</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,516	18,072
Effect of exchange translation differences	163	(119)
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>14,284</u>	<u>20,189</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	18,962	20,189
Bank overdrafts	(4,678)	-
	<u>14,284</u>	<u>20,189</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):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
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:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
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)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
9 months ended 30/09/2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	18,731	1,814	702	502	21,749
Inter-segment	8	-	-	315	323
	<u>18,739</u>	<u>1,814</u>	<u>702</u>	<u>817</u>	<u>22,072</u>
Adjustments/eliminations on combination					(323)
Consolidated revenue					<u>21,749</u>
Results					
Segment profit/(loss) before interest and taxation	4,941	337	(806)	(1,244)	3,228
Finance costs					(192)
Adjustments/eliminations on combination					-
Profit before taxation					<u>3,036</u>
Income tax expense					(19)
Profit after taxation					<u>3,017</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
9 months ended 30/09/2022	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	16,940	-	144	55	17,139
Segment assets/Consolidated total assets	55,992	892	672	269	57,825
Liabilities					
Segment liabilities	13,241	144	102	389	13,876
Unallocated liabilities:					
- current tax liabilities					43
Consolidated total liabilities					13,919

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A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
9 months ended 30/09/2021	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	31,196	1,925	701	877	34,699
Inter-segment	360	-	-	521	881
	<u>31,556</u>	<u>1,925</u>	<u>701</u>	<u>1,398</u>	<u>35,580</u>
Adjustments/eliminations on combination					(881)
Consolidated revenue					<u>34,699</u>
Results					
Segment profit/(loss) before interest and taxation	10,488	(462)	(1,334)	(1,031)	7,661
Finance costs					(313)
Adjustments/eliminations on combination					(118)
Profit before taxation					<u>7,230</u>
Income tax expense					(19)
Profit after taxation					<u>7,211</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
9 months ended 30/09/2021	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	6,016	1	180	79	6,276
Segment assets/Combined total assets	44,453	569	1,665	1,827	48,514
Liabilities					
Segment liabilities	5,411	302	102	80	5,895
Unallocated liabilities:					
- current tax liabilities					126
Consolidated total liabilities					6,021

A10. SIGNIFICANT EVENTS DURING THE INTERIM FINANCIAL PERIOD

Changes of Auditors

On 18 August 2022, the Board announced that the Company had on 16 August 2022 received a Notice of Resignation from Messrs. Crowe Malaysia PLT (“Crowe”) informing the Company of their resignation as Auditors of the Company for the financial year ending 31 December 2022. The resignation of Crowe is on a voluntary basis due to disagreement of fees and disbursements.

On 30 September 2022, the Board announced that Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345) be and is hereby appointed as new Auditors of the Company in place of the existing Auditors, Crowe, for the financial year ending 31 December 2022 and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration agreed between the Directors and the Auditors.

Proposed Subscription of Shares In VCI Global Limited (“VCI Global”)

On 8 September 2022, the Board announced that the Company had entered into a Share Subscription Agreement with VCI Global for the proposed subscription of 303,030 new ordinary shares, representing 0.89% equity interest in VCI Global (“Proposed Investment”) at a total cash consideration of Ringgit Malaysia Four Million (RM4,000,000) only.

Commission Agreement Between Rams Solutions Sdn. Bhd. (“RAMS”) with Gt-Max Motors (M) Sdn. Bhd. (“GT-Max”)

On 22 September 2022, the Board announced that RAMS, a wholly-owned subsidiary of the Company had entered into a Commission Agreement (“Agreement”) with GT-Max to provide mobile application and web-based solutions (“Platform”) with the ability to integrate with enterprise resource planning, warehouse management systems, payment gateways, and related financial systems to GT-Max and to assist GT-Max in the maintenance of the Platform while GT-Max shall pay RAMS the commission upon the delivery of the Services in accordance with the terms and conditions provided under the Agreement.

There are no other significant events during the interim financial period except mentioned above.

A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE INTERIM FINANCIAL PERIOD

On 22 September 2022, Kenanga Investment Bank Berhad (“Kenanga IB”) had, on behalf of the Board, announced that the Company proposed to undertake a private placement of up to 22,305,150 new ordinary shares in the Company (“Shares” or “Ramssol Shares”), representing 10% of the total number of issued Ramssol Shares, to independent third-party investor(s) to be identified and at an issue price to be determined and announced later (“Placement Shares”) (“Proposed Private Placement”).

A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE INTERIM FINANCIAL PERIOD (CONTINUED)

On 21 October 2022, Kenanga IB had, on behalf of the Board, announced that an application for the listing of and quotation for the new Ramssol Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities has been submitted to Bursa Securities after obtained approval from shareholders for the waiver of their statutory pre-emptive rights on the Extraordinary General Meeting (“EGM”) held on 19 October 2022.

On 10 November 2022, Kenanga IB had, on behalf of the Board, announced that Bursa Securities had approved the listing and quotation of up to 22,305,150 shares to be issued pursuant to the Proposed Private Placement.

On 15 November 2022, Kenanga IB had, on behalf of the Board, announced that Board had fixed the issue price for the first tranche of the Placement Shares at RM0.3459 per Placement Share (“1st Tranche”).

On 23 November 2022, Kenanga IB had, on behalf of the Board, announced that Board had fixed the issue price for the second tranche of the Placement Shares at RM0.3406 per Placement Share.

On 24 November 2022, a total of 5,782,200 Placement Shares under the 1st Tranche has been listed on the ACE Market of Bursa Securities.

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

A12. 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 30/09/2022	Quarter ended 30/09/2021	Period ended 30/09/2022	Period ended 30/09/2021
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to directors	(84)	(48)	(240)	(144)

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.

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
	30/09/2022	30/09/2021		30/09/2022	30/09/2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue from:						
Malaysia	5,533	20,202	(72.6)	18,731	31,196	(39.9)
Singapore	717	636	12.7	1,814	1,925	(5.8)
Thailand	467	512	(8.8)	702	701	0.1
Others [#]	179	560	(68.0)	502	877	(42.8)
	<u>6,896</u>	<u>21,910</u>		<u>21,749</u>	<u>34,699</u>	

#Others are revenue generated from Indonesia only

The Group's revenue of RM6.90 million and RM21.75 million for individual and cumulative in Q3 2022 is lower compared to comparative quarter in last financial year. This is mainly due to lower sales generated for provision of HCM and student management solutions and provision of HCM technology applications in Malaysia because most of the milestones of the projects have been completed in last financial year. Also, the revenue contributed from Indonesia had decreased in Q3 2022 as compared to Q3 2021 because most of the milestones of the projects have been completed in last financial year as well.

The Group's profit before interest and taxation of RM1.27 million and RM3.23 million in Q3 2022 are lower compared to Q3 2021 of RM4.42 million and RM7.54 million for individual and cumulative quarter respectively mainly due to lower revenue as mentioned above.

The Group's profit after taxation of RM1.17 million and RM3.02 million for individual and cumulative Q3 2022 respectively 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 Q3 2022 include mainly realised loss on foreign exchange and preliminary expense for a new subsidiary. 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 RM4.38 million and RM7.21 million for individual and cumulative Q3 2021 respectively 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 of RM1.69 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.

B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		
	Period ended		Changes %
	30/09/2022 RM'000	30/06/2022 RM'000	
Revenue	6,896	6,474	6.5
Profit before taxation	1,177	1,024	14.9

The Group's revenue and profit before taxation slightly increased in Q3 2022 because more ad-hoc service requested by existing customers in Q3 2022 as compared to Q2 2022.

B3. PROSPECTS AND OUTLOOK

The Malaysian Gross Domestic Product (“GDP”) had expanded by 14.2% in 3Q 2022 as reported in the Bank Negara Malaysia (BNM) Quarterly Report (2Q 2022: 8.9%) amidst improving domestic demand; lifted by labor market improvements, border reopening and policy assistance. Global growth continued to be moderate as a result of a slowdown in major economic activities.

Rider Gate will be the Company’s new in-house digital solution for integrating with enterprise resource planning, warehouse management systems, payment gateways, and related financial systems (such as vehicle loan applications) to GT-Max. The Company will also assist GT-Max in the maintenance of the Platform. The Company will eventually roll out Rider Gate to other authorised dealers and retailers of motorcycle products in Malaysia.

Entering into an agreement with GT-Max for the provision of Rider Gate is in line with the Company’s strategy and continuous effort to expand its HCM technology applications business and expected to provide additional revenue stream and enhance the Company’s earnings base, which in turn is expected to improve the Company’s financial performance and the shareholders’ value.

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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RAMSSOL GROUP BERHAD
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

B5. PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	39	177	39
Depreciation of:				
-investment properties	5	5	13	13
-property, plant and equipment	63	52	193	161
-right-of-use assets	53	80	159	219
Interest expense:				
-bank overdraft	7	2	29	28
-flexi loan	4	11	15	20
-term loans	80	22	133	89
-redeemable convertible preference shares	-	-	-	160
Interest expense on lease liabilities	4	8	15	16
Short-term leases	85	63	272	144
Written off inventories	-	240	-	240
Net loss/(gain) on foreign exchange:				
-realised	26	25	35	46
-unrealised	(2)	47	(155)	119
COVID-19-related subsidies from government	(41)	(9)	(68)	(57)
Interest income	(1)	(42)	(16)	(43)
Rental income from investment property	(18)	(12)	(45)	(38)

B6. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
-Malaysian income tax	4	1	19	19
-Foreign income tax	-	-	-	-
Tax expense	4	1	19	19
Effective tax rate	0.34%	0.02%	0.63%	0.26%

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	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
Business expansion	8,851	4,262	4,589	Within 24 months
Research and development expenditure	4,101	3,900 ⁽³⁾	201	Within 24 months
Working capital	7,560	5,402 ⁽⁴⁾	2,158	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	25,092	18,144	6,948	

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

Save for the Proposed Private Placement as set out in Section A11, there was no corporate proposal announced but not completed as at the date of this interim financial report.

B9. BORROWINGS

	As at 30/09/2022 RM'000	As at 31/12/2021 RM'000
Current		
Secured:		
Bank overdraft	4,678	599
Flexi loan	536	557
Term loans	321	311
Lease liabilities	367	452
	<u>5,902</u>	<u>1,919</u>
Non-current		
Secured:		
Term loans	5,735	1,432
Lease liabilities	211	223
	<u>5,946</u>	<u>1,655</u>
Total borrowings:		
Bank overdraft	4,678	599
Flexi loan	536	557
Term loans	6,056	1,743
Lease liabilities	578	675
	<u>11,848</u>	<u>3,574</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	11,848	3,574
Singapore Dollar	-	-
Thai Baht	-	-
	<u>11,848</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 30 September 2022.

B13. EARNING PER SHARES (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/09/2022	Quarter ended 30/09/2021	Period ended 30/09/2022	Period ended 30/09/2021
Profit attributable to owners of the Company (RM'000)	1,363	4,346	3,648	7,518
Weighted average number of ordinary shares in issue ('000)	186,929	186,929 ⁽¹⁾	186,929	186,929 ⁽¹⁾
Basic/Diluted EPS (sen) ⁽²⁾	0.73	2.32	1.95	4.02

Notes:

- (1) For computation of basic earnings per share for the financial period ended 30 September 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 25 November 2022.