



RAMSSOLGROUP

RAMSSOL GROUP BERHAD  
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022



RAMSSOLGROUP

## RAMSSOL GROUP BERHAD

Company No: 201901001120 (1310446-A)

Business Enquiries: +603-8800 6611 | Website: www.ramssolgroup.com

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

	Quarter ended 31 December		Year ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Revenue	6,084	17,825	27,833	52,524
Cost of sales	(1,831)	(8,270)	(12,206)	(25,078)
Gross profit	4,253	9,555	15,627	27,446
Other income	3	139	334	282
	4,256	9,694	15,961	27,728
Administrative expenses	(3,019)	(10,185)	(10,911)	(18,152)
Other expenses	(12)	(503)	(55)	(2,595)
Depreciation and amortisation	(350)	(232)	(892)	(664)
Net impairment losses on financial assets	-	(231)	-	(231)
	(3,381)	(11,151)	(11,858)	(21,642)
Profit from operations	875	(1,457)	4,103	6,086
Finance costs	(190)	(48)	(382)	(361)
Profit/(loss) before taxation	B5 685	(1,505)	3,721	5,725
Income tax expense	B6 (237)	(34)	(256)	(53)
Profit/(loss) after taxation	448	(1,539)	3,465	5,672
Other comprehensive income/(loss)				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	72	(48)	55	(109)
Total comprehensive income/(loss) for the financial period/year	520	(1,587)	3,520	5,563

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

	Note	Quarter Ended 31 December		Year ended 31 December	
		Unaudited 2022	Audited 2021	Unaudited 2022	Audited 2021
		RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after taxation attributable to:					
Owners of the Company		537	(744)	4,185	6,774
Non-Controlling Interests		(89)	(795)	(720)	(1,102)
		<u>448</u>	<u>(1,539)</u>	<u>3,465</u>	<u>5,672</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		622	(792)	4,245	6,659
Non-Controlling Interests		(102)	(795)	(725)	(1,096)
		<u>520</u>	<u>(1,587)</u>	<u>3,520</u>	<u>5,563</u>
Earning per share (sen)					
Basic/Diluted	B13	0.24	(0.40)	1.86	3.62

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 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
Note		
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and equipment	3,547	1,854
Investment property	735	751
Right-of-use assets	737	823
Development costs	15,105	3,943
Other Investment	4,000	-
Total Non-Current Assets	<u>24,124</u>	<u>7,371</u>
<b>Current Assets</b>		
Trade receivables	22,114	33,005
Other receivables, deposits, and prepayments	4,324	567
Contract assets	2,984	190
Cash and bank balances	8,320	8,204
Total Current Assets	<u>37,742</u>	<u>41,966</u>
<b>TOTAL ASSETS</b>	<u>61,866</u>	<u>49,337</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	37,186	29,899
Reserves	18,403	14,158
Equity attributable to owners of the Company	<u>55,589</u>	<u>44,057</u>
Non-controlling interests	(3,876)	(3,151)
<b>TOTAL EQUITY</b>	<u>51,713</u>	<u>40,906</u>

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

	Note	Unaudited As at 31/12/2022 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	160	223
Term loans	B9	5,559	1,432
Provision for employment benefits obligations		115	108
Total Non-Current Liabilities		<u>5,834</u>	<u>1,763</u>
<b>Current Liabilities</b>			
Trade payables		274	22
Other payables and accruals		2,147	4,434
Amount owing to a director		-	113
Lease liabilities	B9	282	452
Term loans	B9	324	311
Short-term borrowings	B9	1,074	1,156
Contract liabilities		1	57
Current tax liabilities		217	123
Total Current Liabilities		<u>4,319</u>	<u>6,668</u>
<b>TOTAL LIABILITIES</b>		<u>10,153</u>	<u>8,431</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>61,866</u>	<u>49,337</u>
<b>Net assets per share attributable to ordinary equity holders (RM)</b>		<u>0.25</u>	<u>0.24</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.

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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
<b>Unaudited</b>							
Balance as at 1/1/2022	29,899	(1,073)	131	15,100	44,057	(3,151)	40,906
Profit after taxation	-	-	-	4,185	4,185	(720)	3,465
Other comprehensive income/(loss):							
Foreign currency translation differences	-	-	60	-	60	(5)	55
Total comprehensive income/(loss)	-	-	60	4,185	4,245	(725)	3,520
Contributions by and distribution to owners of the Company:							
- Issuance of shares	7,287	-	-	-	7,287	-	7,287
Total transactions with owners	7,287	-	-	-	7,287	-	7,287
Balance as at 31/12/2022	37,186	(1,073)	191	19,285	55,589	(3,876)	51,713

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 CHANGES IN EQUITY (CONTINUED) <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
<b>Audited</b>							
Balance as at 1/1/2021	510	(260)	246	8,326	8,822	(2,055)	6,767
Profit after taxation	-	-	-	6,774	6,774	(1,102)	5,672
Other comprehensive income/(loss):							
Foreign currency translation differences	-	-	(115)	-	(115)	6	(109)
Total comprehensive income/(loss)	-	-	(115)	6,774	6,659	(1,096)	5,563
Contributions by and distribution to owners of the Company:							
- Issuance of shares	26,405	-	-	-	26,405	-	26,405
- Conversion of RCPS	4,897	-	-	-	4,897	-	4,897
- Shares issuance expenses	(1,413)	-	-	-	(1,413)	-	(1,413)
- Adjustment on the acquisition of subsidiaries	(500)	(813)	-	-	(1,313)	-	(1,313)
Total transactions with owners	29,389	(813)	-	-	28,576	-	28,576
Balance as at 31/12/2021	29,899	(1,073)	131	15,100	44,057	(3,151)	40,906

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 CASH FLOWS <sup>(1)</sup>

	Unaudited As at 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	3,721	5,725
Adjustments for:		
Amortisation of development costs	236	98
Bad debts written off	-	268
Depreciation of:		
-investment properties	17	17
-property and equipment	255	247
-right-of-use assets	384	302
Impairment losses on trade receivables	-	231
Interest expense	364	330
Interest expense on lease liabilities	18	31
Listing expenses	-	1,867
Unrealised (gain)/loss on foreign exchange	(146)	164
Written off inventories	-	231
Interest income	(19)	(65)
Operating profit before working capital changes	4,830	9,446
Increase in contract assets	(2,794)	(190)
Decrease/(Increase) in trade and other receivables	7,134	(22,018)
(Decrease)/Increase in trade and other payables	(2,035)	1,902
(Decrease)/Increase in amount owing to a director	(113)	112
Decrease in contract liabilities	(56)	(83)
Increase in provision for employee benefit obligations	7	32
Net cash from operations	6,973	(10,799)
Income tax paid	(162)	(110)
Interest paid	(121)	(30)
Interest received	19	65
Net cash from operating activities	6,709	(10,874)



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

	Unaudited As at 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Addition to right-of-use assets	(298)	(51)
Development costs paid	(11,398)	(3,314)
Purchase of equipment	(1,948)	(415)
Increase in other investment	(4,000)	-
Net cash for investing activities	<u>(17,644)</u>	<u>(3,780)</u>
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Drawdown of term loan	4,500	-
Interest paid	(261)	(171)
Repayment of lease liabilities	(233)	(445)
Repayment of term loans	(360)	(382)
Repayment of flexi loans	(32)	(38)
Payment of listing expenses	-	(3,808)
Proceeds from issuance of ordinary shares	7,287	25,092
Net cash from financing activities	<u>10,901</u>	<u>20,248</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(34)	5,594
Effect of exchange translation differences	200	(225)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	7,605	2,236
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>7,771</u>	<u>7,605</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,320	8,204
Bank overdrafts	(549)	(599)
	<u>7,771</u>	<u>7,605</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 (“**Ramssol**” or “**Company**”) and its subsidiaries (“**Group**”) have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”). 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 of Ramssol in relation to its initial public offering dated 22 June 2021 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 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)

**Unaudited**

**Geographical segment**

	Malaysia	Singapore	Thailand	Others	Group
Financial year ended 31/12/2022	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External customers	22,615	2,571	794	1,853	27,833
Inter-segment	216	-	-	403	619
	<u>22,831</u>	<u>2,571</u>	<u>794</u>	<u>2,256</u>	<u>28,452</u>
Adjustments/eliminations on combination					(619)
Consolidated revenue					<u>27,833</u>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	5,009	535	(1,105)	(336)	4,103
Finance costs					(382)
Adjustments/eliminations on combination					-
Profit before taxation					<u>3,721</u>
Income tax expense					(256)
Profit after taxation					<u>3,465</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

**Unaudited**

**Geographical segment**

	Malaysia	Singapore	Thailand	Others	Group
Financial year ended 31/12/2022	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Non-current assets	23,937	-	140	47	24,124
Segment assets/Consolidated total assets	59,000	1,268	411	1,187	61,866
<b>Liabilities</b>					
Segment liabilities	9,211	470	123	132	9,936
Unallocated liabilities:					
- current tax liabilities					217
Consolidated total liabilities					10,153

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A9. SEGMENTAL INFORMATION (CONTINUED)

**Audited**

<b><u>Geographical segment</u></b>	Malaysia	Singapore	Thailand	Others	Group
Financial year ended 31/12/2021	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External customers	46,729	2,682	1,463	1,650	52,524
Inter-segment	360	-	-	661	1,021
	<u>47,089</u>	<u>2,682</u>	<u>1,463</u>	<u>2,311</u>	<u>53,545</u>
Adjustments/eliminations on combination					(1,021)
Consolidated revenue					<u>52,524</u>
<b>Results</b>					
Segment profit/(loss) before interest and taxation	2,275	(93)	(1,086)	(1,407)	(311)
Finance costs					(361)
Adjustments/eliminations on combination					<u>6,397</u>
Profit before taxation					5,725
Income tax expense					<u>(53)</u>
Profit after taxation					<u>5,672</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

**Audited**

<b><u>Geographical segment</u></b>	Malaysia	Singapore	Thailand	Others	Group
Financial year ended 31/12/2021	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Non-current assets	7,129	-	172	70	7,371
Segment assets/Combined total assets	45,243	575	1,982	1,537	49,337
<b>Liabilities</b>					
Segment liabilities	7,712	300	163	133	8,308
Unallocated liabilities:					
- current tax liabilities					123
Consolidated total liabilities					8,431

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## A10. MATERIAL SUBSEQUENT EVENTS TO THE INTERIM FINANCIAL PERIOD

Save for Section B8, there were no material events subsequent to the financial year ended 31 December 2022 that has not been reflected in this interim financial report.

## 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:

	Quarter ended 31 December		Year ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Fellow directors:				
Rental paid or payable to directors	(86)	(48)	(338)	(208)

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

	Quarter ended 31 December			Year ended 31 December		
	Unaudited	Audited	Changes	Unaudited	Audited	Changes
	2022	2021		2022	2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue from:						
Malaysia	3,884	15,533	(75.0)	22,615	46,729	(51.6)
Singapore	757	757	-	2,571	2,682	(4.2)
Thailand	92	762	(87.9)	794	1,463	(45.7)
Indonesia	1,351	773	74.8	1,853	1,650	12.3
	<u>6,084</u>	<u>17,825</u>		<u>27,833</u>	<u>52,524</u>	

The Group recorded revenue of RM6.08 million and RM27.83 million for the quarter and year ended 31 December 2022, respectively, which were lower as compared to the comparative quarter and year ended 31 December 2021. This was mainly due to lower sales generated from the provision of human capital management (“**HCM**”) solutions, student management solutions and HCM technology applications in Malaysia as a result of majority of the project milestones have been completed in the financial year ended 31 December 2021. In addition, the revenue contribution from Thailand decreased in the quarter ended 31 December 2022 (“**Q4 2022**”) as compared to quarter ended 31 December 2021 (“**Q4 2021**”) was also due to majority of the project milestones have been completed in the financial year ended 31 December 2021.

The Group’s profit before taxation (“**PBT**”) for the year ended 31 December 2022 decreased by approximately RM1.98 million or 32.6% to RM4.10 million as compared to the year ended 31 December 2021 is mainly due to the lower revenue as mentioned above. Notwithstanding the above, the Group’s PBT of RM0.88 million for the Q4 2022 was higher compared to Q4 2021 is mainly due to lower sales and marketing expenses.

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B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Unaudited		
	Period ended		Changes %
31/12/2022	30/09/2022		
	RM'000	RM'000	
Revenue	6,084	6,896	(11.8)
Profit before taxation	685	1,177	(41.8)

The Group's revenue in Q4 2022 decreased by approximately RM0.8 million or 11.8% to RM6.1 million as compared to the immediate preceding financial quarter ended 30 September 2022 ("**Q3 2022**") mainly due to decrease in ad-hoc service requested by existing customers in Q4 2022 as compared to Q3 2022.

The Group recorded a lower PBT of approximately RM0.69 million in Q4 2022 as compared to approximately RM1.12 million in Q3 2022 mainly due to the decrease in revenue as mentioned above and the increase in the administrative expenses.

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### B3. PROSPECTS AND OUTLOOK

The Malaysian Gross Domestic Product (“**GDP**”) had recorded an annual growth of 8.7% in year 2022 as reported in the Bank Negara Malaysia (“**BNM**”) 4<sup>th</sup> Quarterly Report (2021: 3.1%). The growth was supported by steady household spending, continued investment activity and resilient demand for electrical and electronics and recovery in tourism activities.

(Source: BNM Quarterly Bulletin, Fourth Quarter 2022, Bank Negara Malaysia)

Whilst the country’s economy had expanded by 8.7% in 2022, according to the Ministry of Finance (“**MOF**”) Budget 2023 tabled in October 2022, the GDP growth projected to moderate between 4% and 5% in 2023 due to the impact of persistent external uncertainties on the economy e.g., the prolonged Russian-Ukrainian conflict and tighter global monetary policy.

(Source: Economic Outlook 2023 report, MOF)

On 22 September 2022, the Company had through Rams Solutions Sdn Bhd, a wholly-owned subsidiary of Ramssol, entered into a commission agreement with GT-Max Motors (M) Sdn Bhd (“**GT-Max**”) to provide mobile application and web-based solutions namely, Rider Gate to GT-Max and assist GT-Max in the maintenance of the Rider Gate (“**Commission Agreement**”). Rider Gate is the Company’s new in-house digital solution that integrates enterprise resource planning, warehouse management systems, payment gateways, and related financial systems (such as vehicle loan applications) to provide users with a user-friendly experience to access various motorcycle related services. The Company will eventually roll out Rider Gate to other authorised dealers and retailers of motorcycle products in Malaysia.

The Commission Agreement is in line with the Company’s strategy and continuous effort to expand its HCM technology applications business. The agreement is expected to provide additional revenue stream and enhance the Company’s earnings base, which in turn will improve the Company’s financial performance and the shareholders’ value.

Premised on the above, and against the backdrop of a volatile economic environment which is expected to persist, the Group is cautiously optimistic on delivering improved results for its financial year ending 31 December 2023.

### 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/(LOSS) BEFORE TAXATION

	Quarter ended 31 December		Year ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	59	236	98
Depreciation of:				
-investment properties	4	4	17	17
-property, plant and equipment	62	86	255	247
-right-of-use assets	225	83	384	302
Interest expense:				
-bank overdraft	92	2	121	30
-flexi loan	9	(2)	24	18
-term loans	86	33	219	122
-redeemable convertible preference shares	-	-	-	160
Interest expense on lease liabilities	3	15	18	31
Short-term leases	86	84	358	228
Written off inventories	-	231	-	231
Net loss/(gain) on foreign exchange:				
-realised	13	(6)	48	40
-unrealised	9	45	(146)	164
COVID-19-related subsidies from government	-	(15)	(68)	(72)
Interest income	(3)	(22)	(19)	(65)
Rental income from investment property	(9)	(14)	(54)	(52)

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B6. INCOME TAX EXPENSE

	Quarter ended 31 December		Year ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Current tax recognised in profit or loss:				
-Malaysian income tax	237	26	256	45
-Foreign income tax	-	8	-	8
Tax expense	<u>237</u>	<u>34</u>	<u>256</u>	<u>53</u>
Effective tax rate	<u>34.60%</u>	<u>(2.26%)</u>	<u>6.88%</u>	<u>0.93%</u>

B7. UTILISATION OF PROCEEDS

**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	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Listing <sup>(1)</sup>
Business expansion	8,851	4,426	4,425	Within 24 months
Research and development expenditure	4,101	3,900 <sup>(3)</sup>	201	Within 24 months
Working capital	7,560	5,607 <sup>(4)</sup>	1,953	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	<u>25,092</u>	<u>18,513</u>	<u>6,579</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 (CONTINUED)

**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 amounting 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.

**UTILISATION OF PROCEEDS FROM THE PRIVATE PLACEMENT**

The proceeds raised from the 1<sup>st</sup> Tranche and 2<sup>nd</sup> Tranche of the Private Placement are intended to be utilised in the following manner:

Details of Use of Proceeds	Actual gross proceeds raised <sup>(1)</sup> RM'000	Actual Utilisation <sup>(1)</sup> RM'000	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Receipt
Expenditure in relation to the provision of Rider Gate	6,957	5,600	1,357	Within 12 months
Estimated expenses in relation to the Private Placement	330	159	171	Upon completion
	<u>7,287</u>	<u>5,759</u>	<u>1,528</u>	

Notes:

- (1) Utilisation as at the date of this interim financial report.

## B8. STATUS OF CORPORATE PROPOSAL

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim report.

### Private Placement

On 21 October 2022, Kenanga Investment Bank Berhad ("**Kenanga IB**") had, on behalf of the Board of Directors of Ramssol ("**Board**"), announced that an application for the listing of and quotation for the new ordinary shares in Ramssol ("**Placement Shares**") to be issued pursuant to the Private Placement on the ACE Market of Bursa Securities has been submitted to Bursa Securities after obtaining 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 of and quotation for up to 22,305,150 Placement Shares to be issued pursuant to the 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 ("**1<sup>st</sup> 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 ("**2<sup>nd</sup> Tranche**").

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

On 2 December 2022, a total of 15,522,900 Placement Shares under the 2<sup>nd</sup> Tranche has been listed on the ACE Market of Bursa Securities.

The Private Placement is expected to be completed within 6 months from the date of approval from Bursa Securities.

### Proposed Bonus Issue of Warrants

On 5 December 2022, Kenanga IB had, on behalf of the Board, announced that the Company proposes to undertake a bonus issue of warrants in the Company ("**Warrants**") on the basis of 1 Warrant for every 2 existing ordinary shares in the Company ("**Ramssol Shares**" or "**Shares**") held on an entitlement date to be determined and announced later ("**Entitlement Date**").

On 14 December 2022, Kenanga IB had, on behalf of the Board, announced that the additional listing application for the Proposed Bonus Issue of Warrants had been submitted to Bursa Securities.

On 11 January 2023, Kenanga IB had, on behalf of the Board, announced Bursa Securities had, vide its letter, approved the following:



- i. admission to the Official List and listing and quotation of up to 122,678,325 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- ii. listing and quotation of up to 122,678,325 new Ramssol Shares to be issued arising from the exercise of the Warrants.

On 19 January 2023, the Company announced that EGM to be held on 7 February 2023 to approve Proposed Bonus Issue of Warrants.

On 7 February 2023, the Company announced that the Ordinary Resolution in relation to the Proposed Bonus Issue of Warrants set out in the Notice of the EGM of the Company dated 20 January 2023 was duly passed at the EGM of the Company held on Tuesday, 7 February 2023 at 10.00 a.m.

The Proposed Bonus Issue of Warrants is expected to be completed by 1<sup>st</sup> quarter of 2023.

#### **Proposed Acquisition of 51% Equity Interest in Infinite Loop Media Sdn. Bhd. (“ILM”)**

On 14 February 2023, the Company had entered into a Share Purchase Agreement (“SPA”) with Mr. Neoh Tze Chien for the proposed acquisition of 25,500 ordinary shares in ILM representing 51% of the total issued share capital in ILM for a total purchase consideration of RM400,000.

The SPA had on 14 February 2023 become unconditional and the completion is pending full settlement of the balance purchase consideration.

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B9. BORROWINGS

	<b>Unaudited</b>	<b>Audited</b>
	As at 31/12/2022	As at 31/12/2021
	RM'000	RM'000
<b>Current</b>		
Secured:		
Bank overdraft	549	599
Flexi loan	525	557
Term loans	324	311
Lease liabilities	282	452
	<u>1,680</u>	<u>1,919</u>
<b>Non-current</b>		
Secured:		
Term loans	5,559	1,432
Lease liabilities	160	223
	<u>5,719</u>	<u>1,655</u>
<b>Total borrowings:</b>		
Bank overdraft	549	599
Flexi loan	525	557
Term loans	5,883	1,743
Lease liabilities	442	675
	<u>7,399</u>	<u>3,574</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	7,399	3,574
Singapore Dollar	-	-
Thai Baht	-	-
	<u>7,399</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 December 2022.

**B13. EARNING PER SHARES (“EPS”)**

	Quarter ended 31 December		Year ended 31 December	
	Unaudited 2022	Audited 2021	Unaudited 2022	Audited 2021
Profit/(Loss) attributable to owners of the Company (RM'000)	537	(744)	4,185	6,774
Weighted average number of ordinary shares in issue ('000)	225,143	186,929	225,143	186,929
Basic/Diluted EPS (sen) <sup>(1)</sup>	0.24	(0.40)	1.86	3.62

Notes:

- (1) 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.

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**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 24 February 2023.

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