



RAMSSOLGROUP

RAMSSOL GROUP BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2023



RAMSSOLGROUP

RAMSSOL GROUP BERHAD

Company No: 201901001120 (1310446-A)

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
Notes	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	6,454	8,379	6,454	8,379
Cost of sales	(2,169)	(4,573)	(2,169)	(4,573)
Gross profit	4,285	3,806	4,285	3,806
Other income	46	41	46	41
	4,331	3,847	4,331	3,847
Administrative expenses	(1,939)	(2,769)	(1,939)	(2,769)
Other expenses	(1)	(5)	(1)	(5)
Depreciation and amortisation	(180)	(184)	(180)	(184)
	(2,120)	(2,958)	(2,120)	(2,958)
Profit from operations	2,211	889	2,211	889
Finance costs	(201)	(54)	(201)	(54)
Profit before taxation	B5 2,010	835	2,010	835
Income tax expense	B6 (5)	(3)	(5)	(3)
Profit after taxation	2,005	832	2,005	832
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	1	10	1	10
Total comprehensive income for the financial period/year	2,006	842	2,006	842

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

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Period ended	
		31/03/2023	31/03/2022	31/03/2023	31/03/2022
		RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:					
Owners of the Company		2,100	1,041	2,100	1,041
Non-Controlling Interests		(95)	(209)	(95)	(209)
		<u>2,005</u>	<u>832</u>	<u>2,005</u>	<u>832</u>
Total comprehensive income attributable to:					
Owners of the Company		2,091	1,050	2,091	1,050
Non-Controlling Interests		(85)	(208)	(85)	(208)
		<u>2,006</u>	<u>842</u>	<u>2,006</u>	<u>842</u>
Earning per share (sen)					
Basic/Diluted	B13	0.86	0.56	0.86	0.56

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 2022 and the accompanying explanatory notes attached in the interim financial report.

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RAMSSOL GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Notes	Unaudited As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,618	3,549
Investment property		730	735
Right-of-use assets		897	843
Intangible assets		24,760	15,105
Other Investment		4,000	4,000
Goodwill on consolidation		255	-
Total Non-Current Assets		<u>34,260</u>	<u>24,232</u>
Current Assets			
Trade receivables		18,245	22,720
Other receivables, deposits, and prepayments		6,174	6,392
Contract assets		-	2,520
Fixed deposits and bank balances		12,383	8,376
Total Current Assets		<u>36,802</u>	<u>40,008</u>
TOTAL ASSETS		<u>71,062</u>	<u>64,240</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		37,603	37,186
Reserves		20,026	17,935
Equity attributable to owners of the Company		<u>57,629</u>	<u>55,121</u>
Non-controlling interests		(3,802)	(3,856)
TOTAL EQUITY		<u>53,827</u>	<u>51,265</u>

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

	Notes	Unaudited As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
EQUITY AND LIABILITIES (CONTINUED)			
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	B9	308	252
Borrowings	B9	5,534	5,817
Employee benefits liability		229	222
Total Non-Current Liabilities		6,071	6,291
Current Liabilities			
Trade payables		897	1,179
Other payables and accruals		3,524	3,660
Lease liabilities	B9	279	297
Borrowings	B9	6,282	1,182
Contract liabilities		90	160
Tax payable		92	206
Total Current Liabilities		11,164	6,684
TOTAL LIABILITIES		17,235	12,975
TOTAL EQUITY AND LIABILITIES		71,062	64,240
Net assets per share attributable to ordinary equity holders (RM)		0.24	0.25

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 2022 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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 1/1/2023	37,186	(1,074)	217	18,792	55,121	(3,856)	51,265
Profit after taxation	-	-	-	2,100	2,100	(95)	2,005
Other comprehensive income/(loss): Foreign currency translation differences	-	-	(9)	-	(9)	10	1
Total comprehensive income/(loss)	-	-	(9)	2,100	2,091	(85)	2,006
Contributions by and distribution to owners of the Company:							
Issuance of shares	417	-	-	-	417	-	417
Additional non-controlling interests arising on business combination	-	-	-	-	-	139	139
Total transactions with owners	417	-	-	-	417	139	556
Balance as at 31/03/2023	37,603	(1,074)	208	20,892	57,629	(3,802)	53,827

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 2022 and the accompanying explanatory notes attached in the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) ⁽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	-	-	-	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 2022 and the accompanying explanatory notes attached in the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CUMULATIVE QUARTER	
	Period ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	2,010	835
Adjustments for:		
Amortisation of development costs	59	59
Depreciation of:		
-investment properties	4	4
-property, plant and equipment	60	68
-right-of-use assets	57	53
Interest expense	199	52
Interest expense on lease liabilities	2	2
Interest income	(2)	(9)
Operating profit before working capital changes	2,389	1,064
Increase in inventories	-	(114)
Decrease in contract assets	2,520	106
Decrease in trade and other receivables	4,765	1,879
Decrease in trade and other payables	(437)	(1,038)
(Decrease)/Increase in contract liabilities	(70)	445
Increase in employee benefits liability	7	1
Net cash from operations	9,174	2,343
Income tax paid	(100)	(55)
Interest paid	(115)	(19)
Interest received	2	9
Net cash from operating activities	8,961	2,278

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

	CUMULATIVE QUARTER	
	Period ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Addition to right-of-use assets	(2)	(298)
Development costs paid	(9,714)	(1,000)
Purchase of equipment	(107)	(600)
Acquisition of a subsidiary, net of cash	(217)	-
Net cash for investing activities	(10,040)	(1,898)
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Interest paid	(86)	(35)
Net (repayment)/drawdown of lease liabilities	(66)	159
Repayment to a director	-	(114)
Repayment of term loans	(279)	(82)
Repayment of flexi loans	(7)	(7)
Placement of pledged deposits	(125)	-
Proceeds from issuance of ordinary shares	417	-
Net cash (for)/from financing activities	(146)	(79)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,225)	301
Effect of exchange translation differences	4	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	7,785	7,605
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,564	7,907
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,215	8,508
Deposits with licensed banks	168	-
Lees: Bank overdraft	(5,652)	(601)
	6,731	7,907
Less: Deposit pledged	(167)	-
	6,564	7,907

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 2022 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 2022 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):

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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:

MFRSs and/or IC Interpretations (including the consequential amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2022 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.

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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
3 months ended 31/03/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	3,148	725	1,676	905	6,454
Inter-segment	25	-	-	95	120
	<u>3,173</u>	<u>725</u>	<u>1,676</u>	<u>1,000</u>	<u>6,574</u>
Adjustments/eliminations on combination					(120)
Consolidated revenue					<u>6,454</u>
Results					
Segment profit/(loss) before interest and taxation	150	360	1,313	388	2,211
Finance costs					(201)
Profit before taxation					<u>2,010</u>
Income tax expense					(5)
Profit after taxation					<u>2,005</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	34,078	-	138	44	34,260
Segment assets/Consolidated total assets	63,664	1,985	3,512	1,901	71,062
Liabilities					
Segment liabilities	16,050	769	127	197	17,143
Unallocated liabilities:					
- current tax liabilities					92
Consolidated total liabilities					17,235

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A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
3 months ended 31/03/2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
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					<u>(125)</u>
Consolidated revenue					<u>8,379</u>
Results					
Segment profit/(loss) before interest and taxation	1,671	(44)	(338)	(400)	889
Finance costs					<u>(54)</u>
Profit before taxation					835
Income tax expense					<u>(3)</u>
Profit after taxation					<u>832</u>

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A9. SEGMENTAL INFORMATION (CONTINUED)

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

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A10. MATERIAL SUBSEQUENT EVENTS TO THE INTERIM FINANCIAL PERIOD

Save for Section B8, there were no material events subsequent to end of the interim financial period that has not been reflected in this interim financial report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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 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 acquisition has been completed on 1 March 2023.

Incorporation of a New Wholly-Owned Subsidiary, Namely Rams Fintech Sdn. Bhd.

On 17 April 2023, the Company announced the incorporation of a new wholly-owned subsidiary, namely RAMS Fintech Sdn. Bhd. (“RAMS FINTECH”) in Malaysia (“Incorporation”). The issued and paid-up capital of RAMS FINTECH is RM1,000.00 divided into 1,000 ordinary shares of RM1.00 each. RAMS FINTECH will be principally involved in businesses in relation to internet related services for business of mobile application, e-commerce, administration and integration and developing and marketing of software and application and Commission Agency.

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		Period ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to directors	(91)	(72)	(91)	(72)

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 2022. The increase in the 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		
	Quarter ended		Changes %	Period ended		Changes %
	31/03/2023 RM'000	31/03/2022 RM'000		31/03/2023 RM'000	31/03/2022 RM'000	
Revenue from:						
Malaysia	3,148	7,639	(58.8)	3,148	7,639	(58.8)
Singapore	725	491	47.7	725	491	47.7
Thailand	1,676	64	>100.0	1,676	64	>100.0
Indonesia	905	185	>100.0	905	185	>100.0
	<u>6,454</u>	<u>8,379</u>		<u>6,454</u>	<u>8,379</u>	

The Group recorded a revenue of RM6.45 million for the quarter ended 31 March 2023 (“**Q1 2023**”), which was lower as compared to the comparative quarter ended 31 March 2022 (“**Q1 2022**”). 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 had been completed in the previous financial year.

The Group’s profit before taxation (“**PBT**”) increased by approximately RM1.18 million from RM0.83 million for the Q1 2022 to RM2.01 million for the Q1 2023 mainly due to lower sales and marketing expenses.

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B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		Changes %
	Quarter ended 31/03/2023 RM'000	Quarter ended 31/12/2022 RM'000	
Revenue	<u>6,454</u>	<u>6,084</u>	6.1
Profit before taxation	<u>2,010</u>	<u>685</u>	>100.0

The Group's revenue in Q1 2023 increased by approximately RM0.37 million or 6.1% to RM6.45 million as compared to the immediate preceding financial quarter ended 31 December 2022 ("**Q4 2022**") mainly due to the increase of revenue contribution from Thailand in Q1 2023 as a result of new projects secured and performed for both existing and new customers in these countries.

The Group recorded a higher PBT of approximately RM2.01 million in Q1 2023 as compared to approximately RM0.32 million in Q4 2022 mainly due to the increase in revenue as mentioned above and the decrease in sales and marketing 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**”) 4th 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.

(Source: Economic Outlook 2023 report, MOF)

Premised on the above, and against the backdrop of a volatile economic environment which is expected to persist, the Group is seeing positive results, and our group's performance is aligned with the plans we have in place. 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.

B5. PROFIT/(LOSS) BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31 March		31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	59	59	59
Depreciation of:				
-investment properties	4	4	4	4
-property, plant and equipment	60	68	60	68
-right-of-use assets	57	53	57	53
Interest expense:				
-bank overdraft	115	19	115	19
-flexi loan	14	7	14	7
-term loans	70	26	70	26
Interest expense on lease liabilities	2	2	2	2
Short-term leases	86	97	86	97
Net loss/(gain) on foreign exchange:				
-realised	(35)	2	(35)	2
-unrealised	-	-	-	-
COVID-19-related subsidies from government	-	(27)	-	(27)
Interest income	(2)	(9)	(2)	(9)
Rental income from investment property	(9)	(14)	(9)	(14)

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B6. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
-Malaysian income tax	5	3	5	3
-Foreign income tax	-	-	-	3
Tax expense	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>
Effective tax rate	<u>0.3%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.4%</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 ⁽²⁾ RM'000	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
Business expansion	8,851	4,705	4,146	Within 24 months
Research and development expenditure	4,101	3,900 ⁽³⁾	201	Within 24 months
Working capital	7,560	5,628 ⁽⁴⁾	1,932	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	<u>25,092</u>	<u>18,813</u>	<u>6,279</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 Company had on 22 September 2022 announced to undertake the Proposed Private Placement of up to 10% of the total number of Issued Shares in the Company, which was completed on 27 February 2023 following the listing of and quotation for 5,782,200 ordinary shares, 15,522,900 ordinary shares and 1,000,000 ordinary shares on the ACE Market of Bursa Malaysia Securities Berhad on 24 November 2022, 2 December 2022 and 27 February 2023 respectively (“**Private Placement**”). The Private Placement has raised a total gross proceed of RM7,703,962.72.

As at date of this interim financial report., the utilisation of proceeds from the Private Placement is outlined as follows:-

Details of Use of Proceeds	Actual gross proceeds raised RM'000	Actual Utilisation RM'000	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Receipt
Expenditure in relation to the provision of Rider Gate	7,374	7,374	-	Within 12 months
Estimated expenses in relation to the Private Placement	330	330	-	Upon completion
	7,704	7,704	-	

B8. STATUS OF CORPORATE PROPOSAL

Private Placement

On 24 February 2023, Kenanga Investment Bank Berhad (“**Kenanga IB**”) had, on behalf of the Board of Directors of Ramssol (“**Board**”), announced that Board had fixed the issue price for the third tranche of the Placement Shares at RM0.4168 per Placement Share (“**3rd Tranche**”).

On 27 February 2023, a total of 1,000,000 Placement Shares under the 3rd Tranche has been listed on the ACE Market of Bursa Securities.

The Private Placement has been completed following the listing of and quotation for 1,000,000 Placement Shares, being the third and final tranche, on the ACE Market of Bursa Securities on 27 February 2023.

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**”) (“**Bonus Issue of Warrants**”).

On 14 December 2022, Kenanga IB had, on behalf of the Board, announced that the additional listing application for the 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 of and quotation for up to 122,678,325 Warrants to be issued pursuant to the Bonus Issue of Warrants; and
- ii. listing of and quotation for 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 its Extraordinary General Meeting (“**EGM**”) to be held on 7 February 2023.

On 7 February 2023, the Company announced that the Ordinary Resolution in relation to the Bonus Issue of Warrants set out in the circular dated 20 January 2023 and was duly passed at the EGM of the Company held on 7 February 2023.

On 10 February 2023, the Company had executed the deed poll constituting the Warrants. Subsequently, the Company announced details of the entitlement of the Bonus Issue of Warrants on the same date.

B8. STATUS OF CORPORATE PROPOSAL (CONTINUED)

On 10 March 2023, the Company announced the 122,678,296 Warrants issued pursuant to the Bonus Issue of Warrants had been completed.

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B9. BORROWINGS

	Unaudited	Audited
	As at	As at
	31/03/2023	31/12/2022
	RM'000	RM'000
Current		
Secured:		
Bank overdraft	5,652	549
Flexi loan	13	14
Term loans	617	619
Lease liabilities	279	297
	<u>6,561</u>	<u>1,479</u>
Non-current		
Secured:		
Flexi loan	507	513
Term loans	5,027	5,304
Lease liabilities	308	252
	<u>5,842</u>	<u>6,069</u>
Total borrowings:		
Bank overdraft	5,652	549
Flexi loan	520	527
Term loans	5,644	5,923
Lease liabilities	587	549
	<u>12,403</u>	<u>7,548</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	12,403	7,548
Singapore Dollar	-	-
Thai Baht	-	-
	<u>12,403</u>	<u>7,548</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 2023.

B13. EARNING PER SHARES (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2023		Period ended 31/03/2022	
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	2,100	1,041	2,100	1,041
Weighted average number of ordinary shares in issue ('000)	244,723	186,929	244,723	186,929
Basic/Diluted EPS (sen) ⁽¹⁾	0.86	0.56	0.86	0.56

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.

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 27 April 2023.

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