

RAMSSOL GROUP BERHAD

Company No: 201901001120 (1310446-A)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Period ended	
		30/06/2023	30/06/2022	30/06/2023	30/06/2022
		RM'000	RM'000	RM'000	RM'000
Revenue		10,127	6,474	16,581	14,853
Cost of sales		(4,639)	(2,925)	(6,808)	(7,498)
Gross profit		5,488	3,549	9,773	7,355
Other income		156	209	202	250
		5,644	3,758	9,975	7,605
Administrative expenses		(2,948)	(2,506)	(4,887)	(5,275)
Other expenses		(75)	(7)	(76)	(12)
Depreciation and amortisation		(184)	(178)	(364)	(362)
		(3,207)	(2,691)	(5,327)	(5,649)
Profit from operations		2,437	1,067	4,648	1,956
Finance costs		(311)	(43)	(512)	(97)
Profit before taxation	B5	2,126	1,024	4,136	1,859
Income tax expense	B6	(4)	(12)	(9)	(15)
Profit after taxation		2,122	1,012	4,127	1,844
Other comprehensive income					
Item that will be reclassified					
subsequently to profit or loss:					
Foreign currency translation differences		92	(5)	93	5
Total comprehensive income for					
the financial period/year		2,214	1,007	4,220	1,849

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

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Period ended	
		30/06/2023	30/06/2022	30/06/2023	30/06/2022
		RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:					
Owners of the Company		2,213	1,244	4,313	2,285
Non-Controlling Interests		(91)	(232)	(186)	(441)
		<u>2,122</u>	<u>1,012</u>	<u>4,127</u>	<u>1,844</u>
Total comprehensive income attributable to:					
Owners of the Company		2,292	1,239	4,383	2,289
Non-Controlling Interests		(78)	(232)	(163)	(440)
		<u>2,214</u>	<u>1,007</u>	<u>4,220</u>	<u>1,849</u>
Earning per share (sen)					
- Basic	B13	0.90	0.67	1.72	1.22
- Diluted	B13	0.90	0.67	1.72	1.22

Note:

- (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
(Company No. 201901001120) (1310446 - A)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Notes	Unaudited As at 30/06/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,438	3,549
Investment property		726	735
Right-of-use assets		840	843
Intangible assets		30,303	15,105
Other Investment		4,000	4,000
Goodwill on consolidation		255	-
Total Non-Current Assets		<u>39,562</u>	<u>24,232</u>
Current Assets			
Trade receivables		19,392	22,720
Other receivables, deposits, and prepayments		7,295	6,392
Contract assets		-	2,520
Fixed deposits and bank balances		11,657	8,376
Total Current Assets		<u>38,344</u>	<u>40,008</u>
TOTAL ASSETS		<u>77,906</u>	<u>64,240</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		37,603	37,186
Reserves		22,318	17,935
Equity attributable to owners of the Company		<u>59,921</u>	<u>55,121</u>
Non-controlling interests		(3,880)	(3,856)
TOTAL EQUITY		<u>56,041</u>	<u>51,265</u>

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

	Notes	Unaudited As at 30/06/2023 RM'000	Audited As at 31/12/2022 RM'000
EQUITY AND LIABILITIES (CONTINUED)			
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	B9	273	252
Borrowings	B9	5,441	5,817
Employee benefits liability		239	222
Total Non-Current Liabilities		<u>5,953</u>	<u>6,291</u>
Current Liabilities			
Trade payables		845	1,179
Other payables and accruals		3,894	3,660
Lease liabilities	B9	252	297
Borrowings	B9	10,725	1,182
Contract liabilities		100	160
Tax payable		96	206
Total Current Liabilities		<u>15,912</u>	<u>6,684</u>
TOTAL LIABILITIES		<u>21,865</u>	<u>12,975</u>
TOTAL EQUITY AND LIABILITIES		<u>77,906</u>	<u>64,240</u>
Net assets per share attributable to ordinary equity holders (RM)		<u>0.24</u>	<u>0.25</u>

Note:

- (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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	4,313	4,313	(186)	4,127
Other comprehensive income/(loss): Foreign currency translation differences	-	-	70	-	70	23	93
Total comprehensive income/(loss)	-	-	70	4,313	4,383	(163)	4,220
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 30/06/2023	37,603	(1,074)	287	23,105	59,921	(3,880)	56,041

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	-	-	-	2,285	2,285	(441)	1,844
Other comprehensive income/(loss): Foreign currency translation differences	-	-	4	-	4	1	5
Total comprehensive income/(loss)	-	-	4	2,285	2,289	(440)	1,849
Balance as at 30/06/2022	29,899	(1,073)	135	17,384	46,345	(3,592)	42,753

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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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	<u>For the 6 months ended</u>	
	30/06/2023 RM'000	30/06/2022 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	4,136	1,859
Adjustments for:		
Amortisation of development costs	118	118
Depreciation of:		
-investment properties	9	8
-property, plant and equipment	132	130
-right-of-use assets	106	106
Interest expense	506	86
Interest expense on lease liabilities	6	11
Unrealised gain on foreign exchange	(122)	(153)
Loss on disposal of property, plant and equipment	75	-
Interest income	(3)	(15)
Operating profit before working capital changes	4,963	2,150
Increase in inventories	-	(116)
Decrease in contract assets	2,520	67
Decrease in trade and other receivables	2,498	7,665
Decrease in trade and other payables	(100)	(1,088)
(Decrease) / Increase in contract liabilities	(60)	312
Increase in employee benefits liability	17	1
Net cash from operations	9,838	8,991
Income tax paid	(99)	(60)
Interest paid	(317)	(23)
Interest received	3	15
Net cash from operating activities	9,425	8,923

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

	For the 6 months ended	
	30/06/2023 RM'000	30/06/2022 RM'000
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>		
Addition to right-of-use assets	-	(298)
Development costs paid	(15,316)	(2,000)
Purchase of property, plant and equipment	(169)	(1,035)
Proceeds from disposal of property, plant and equipment	95	-
Acquisition of a subsidiary, net of cash	(218)	-
Net cash for investing activities	<u>(15,608)</u>	<u>(3,333)</u>
<u>CASH FLOWS USED IN FINANCING ACTIVITIES</u>		
Interest paid	(195)	(75)
Net (repayment)/drawdown of lease liabilities	(128)	25
Repayment to a director	-	(114)
Repayment of term loans	(355)	(165)
Repayment of flexi loans	(14)	(15)
Placement of pledged deposits	(208)	-
Proceeds from issuance of ordinary shares	417	-
Net cash (for)/from financing activities	<u>(483)</u>	<u>(344)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,666)	5,246
Effect of exchange translation differences	203	156
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	7,785	7,605
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>1,322</u>	<u>13,007</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	11,406	13,355
Deposits with licensed banks	251	-
Less: Bank overdraft	(10,085)	(348)
	1,572	13,007
Less: Deposit pledged	(250)	-
	<u>1,322</u>	<u>13,007</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 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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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
6 months ended 30/06/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	10,237	903	3,242	2,199	16,581
Inter-segment	100	-	-	180	280
	<u>10,337</u>	<u>903</u>	<u>3,242</u>	<u>2,379</u>	<u>16,861</u>
Adjustments/eliminations on combination					(280)
Consolidated revenue					<u>16,581</u>
Results					
Segment profit/(loss) before interest and taxation	818	197	2,395	1,238	4,648
Finance costs					(512)
Profit before taxation					<u>4,136</u>
Income tax expense					(9)
Profit after taxation					<u>4,127</u>

A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
6 months ended 30/06/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	39,386	-	134	42	39,562
Segment assets/Consolidated total assets	66,330	1,518	4,970	5,088	77,906
Liabilities					
Segment liabilities	20,560	793	121	295	21,769
Unallocated liabilities:					
- tax payable					96
Consolidated total liabilities					21,865

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A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
6 months ended 30/06/2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	13,198	1,097	235	323	14,853
Inter-segment	8	-	-	211	219
	<u>13,206</u>	<u>1,097</u>	<u>235</u>	<u>534</u>	<u>15,072</u>
Adjustments/eliminations on combination					(219)
Consolidated revenue					<u>14,853</u>
Results					
Segment profit/(loss) before interest and taxation	3,438	68	(601)	(949)	1,956
Finance costs					(97)
Profit before taxation					<u>1,859</u>
Income tax expense					(15)
Profit after taxation					<u>1,844</u>

A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment	Malaysia	Singapore	Thailand	Others	Group
6 months ended 30/06/2022	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	10,129	-	155	59	10,343
Segment assets/Combined total assets	47,256	614	1,105	863	49,838
Liabilities					
Segment liabilities	6,299	167	93	448	7,007
Unallocated liabilities:					
- tax payable					78
Consolidated total liabilities					7,085

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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

Save as disclose below, there were no other major changes in the composition of the Group during the period ended 30 June 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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to directors	(92)	(84)	(183)	(156)

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.

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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 SIX (6) FINANCIAL PERIOD ENDED 30 JUNE 2023

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter ended		Changes %	Period ended		Changes %
	30/06/2023 RM'000	30/06/2022 RM'000		30/06/2023 RM'000	30/06/2022 RM'000	
Revenue from:						
Malaysia	7,089	5,559	27.5	10,237	13,198	(22.4)
Singapore	178	606	(70.6)	903	1,097	(17.7)
Thailand	1,566	171	>100.0	3,242	235	>100.0
Indonesia	1,294	138	>100.0	2,199	323	>100.0
	<u>10,127</u>	<u>6,474</u>		<u>16,581</u>	<u>14,853</u>	

The Group recorded revenue of RM10.13 million and RM16.58 million for the current quarter and 6 months period ended 30 June 2023, respectively, which were higher as compared to the comparative quarter and period ended 30 June 2022. This was mainly due to higher sales generated from the provision of human capital management (“**HCM**”) solutions, student management solutions and HCM technology applications in Thailand and Indonesia as a result of several new projects achieved the project milestones in the quarter ended 30 June 2023 (“**Q2 2023**”) as compared to quarter ended 30 June 2022 (“**Q2 2022**”).

The Group’s profit before taxation (“**PBT**”) for the cumulative Q2 2023 of approximately RM4.14 million is higher as compared to the cumulative Q2 2022 of approximately RM1.86 million mainly due to the higher revenue as mentioned above.

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B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		Changes %
	Quarter ended 30/06/2023 RM'000	Quarter ended 31/03/2023 RM'000	
Revenue	10,127	6,454	56.9
Profit before taxation	2,126	2,010	5.8

The Group's revenue in Q2 2023 increased by approximately RM3.67 million or 56.9% to RM10.13 million as compared to the immediate preceding financial quarter ended 31 March 2023 ("**Q1 2023**") mainly due to the increase of revenue contribution from Malaysia and Indonesia in Q2 2023 as a result of new projects secured and performed for both existing and new customers in the respective countries.

The Group recorded a higher PBT of approximately RM2.13 million in Q2 2023 as compared to approximately RM2.01 million in Q1 2023 mainly due to the increase in revenue as mentioned above.

B3. PROSPECTS AND OUTLOOK

The Malaysian Gross Domestic Product ("GDP") had grown by 5.6% in 1Q 2023 as reported in the Bank Negara Malaysia (BNM) Quarterly Report (1Q 2022: 4.8%) due to further expansion of household spending, continued investment activity and higher inbound tourism. Global growth continued to be moderate as a result of a slowdown in major economic activities.

(Source: BNM Quarterly Bulletin, First Quarter 2023, 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	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Amortisation of development costs	59	59	118	118
Depreciation of:				
-investment properties	4	4	8	8
-property, plant and equipment	72	62	132	130
-right-of-use assets	49	53	106	106
Interest expense:				
-bank overdraft	202	3	317	22
-flexi loan	2	4	16	11
-term loans	103	27	173	53
Interest expense on lease liabilities	4	9	6	11
Short-term leases	85	90	171	187
Net loss/(gain) on foreign exchange:				
-realised	(2)	7	(37)	9
-unrealised	(122)	(153)	(122)	(153)
COVID-19-related subsidies from government	-	-	-	(27)
Interest income	(1)	(6)	(3)	(15)
Rental income from investment property	-	(13)	(9)	(27)

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B6. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30/06/2023	Quarter ended 30/06/2022	Period ended 30/06/2023	Period ended 30/06/2022
	RM'000	RM'000	RM'000	RM'000
Current tax recognised in profit or loss:				
-Malaysian income tax	4	12	9	15
-Foreign income tax	-	-	-	-
Tax expense	4	12	9	15
Effective tax rate	0.2%	1.2%	0.2%	0.8%

B7. UTILISATION OF PROCEEDS

UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“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 ⁽¹⁾ RM'000	Balance To Be Utilised RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽²⁾
Business expansion	8,851	4,985	3,866	Within 24 months
Research and development expenditure	4,101	3,997	104	Within 24 months
Working capital	7,560	6,871	689	Within 24 months
Estimating listing expenses	4,580	4,580	-	Within 1 month
	25,092	20,433	4,659	

Notes:

- (1) Utilisation as at the date of this interim financial report.
- (2) 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.

B8. STATUS OF CORPORATE PROPOSAL

Multiple Proposals

On 14 July 2023, Mercury Securities Sdn Bhd (“**Mercury Securities**”) had on behalf of the Board of Directors announced that the Company proposes to undertake the following:

- (i) proposed private placement of new ordinary shares in Ramssol representing up to 30% of the total number of issued shares in Ramssol (excluding treasury shares, if any) (“**Proposed Private Placement**”); and
- (ii) proposed establishment of an employees’ share option scheme of up to 30% of the total number of issued shares in Ramssol (excluding treasury shares, if any) for eligible directors and employees of the Group (“**Proposed ESOS**”).

(Collectively referred to as “**Proposals**”)

Bursa Securities had vide its letter dated 9 August 2023, approved the listing of and quotation for the following:

- (i) up to 110,410,400 new shares in the Company (“**Ramssol Shares**”) to be issued pursuant to the Proposed Private Placement; and
- (ii) such number of new Ramssol Shares, representing up to 30% of the Company’s total number of issued shares (excluding treasury shares, if any) to be issued pursuant to the Proposed ESOS.

The implementation of the Proposals are subject to the approval of the Company’s shareholders at the extra general meeting to be convened on 1 September 2023.

B9. BORROWINGS

	Unaudited	Audited
	As at	As at
	30/06/2023	31/12/2022
	RM'000	RM'000
Current		
Secured:		
Bank overdraft	10,085	549
Flexi loan	13	14
Term loans	627	619
Lease liabilities	252	297
	<u>10,977</u>	<u>1,479</u>
Non-current		
Secured:		
Flexi loan	500	513
Term loans	4,941	5,304
Lease liabilities	273	252
	<u>5,714</u>	<u>6,069</u>
Total borrowings:		
Bank overdraft	10,085	549
Flexi loan	513	527
Term loans	5,568	5,923
Lease liabilities	525	549
	<u>16,691</u>	<u>7,548</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	16,691	7,548
Singapore Dollar	-	-
Thai Baht	-	-
	<u>16,691</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 30 June 2023.

B13. EARNING PER SHARES (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	2,213	1,244	4,313	2,285
Weighted average number of ordinary shares in issue ('000)	245,367	186,929	245,042	186,929
Basic (sen) ⁽¹⁾	0.90	0.67	1.72	1.22
Diluted EPS (sen) ⁽²⁾	0.90	0.67	1.72	1.22

Note:

- (1) The basic EPS is calculated based on the Company’s weighted average number of ordinary shares as at the end of the interim financial period.
- (2) The diluted EPS is the same as basic EPS as the potential conversion of the Company’s existing warrants is anti-dilutive. The potential conversion is anti-dilutive as the warrant’s exercise price is higher than the average market price of the Company’s ordinary shares.

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 16 August 2023.

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