

Company Name : RAMSSOL GROUP BERHAD ("RAMSSOL" OR THE "COMPANY")

Description : PROPOSED ACQUISITION OF 51.00% EQUITY INTEREST IN GEEKSTART COMPANY LIMITED ("PROPOSED ACQUISITION")

1.0 INTRODUCTION

The Board of Directors of RAMSSOL ("**Board**") is pleased to announce that RAMSSOL and Rams Solutions Co., Ltd., a 99.9% owned subsidiary of the Company ("**Rams Thailand**") had on 25 June 2024 entered into a conditional share sale agreement ("**SSA**") with Tanasak Tantitarntong, Kitipat Veerachien and Rujirat Chuangsungnern (collectively referred to as "**Vendor(s)**"), for the acquisition of 15,300 ordinary shares in GeekStart Company Limited ("**GeekStart**") ("**Sale Share(s)**") by Rams Thailand, representing 51.00% equity interest in GeekStart, for a purchase consideration of RM6,926,884 ("**Purchase Consideration**") to be satisfied via issuance of 13,069,592 new ordinary shares in RAMSSOL ("**RAMSSOL Shares**" or "**Shares**") ("**Consideration Shares**"), at an issue price of RM0.53 per Consideration Share ("**Issue Price**").

Upon completion of the Proposed Acquisition, GeekStart will become a 51.00%-owned subsidiary of Rams Thailand, which in turn becomes an indirect 50.95%-owned subsidiary of RAMSSOL via Rams Thailand whereas the Vendors shall collectively hold the remaining 49.00% equity interest in GeekStart.

2.0 DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition by Rams Thailand of 15,300 Sale Shares, representing 51.00% equity interest in GeekStart from the Vendors for the Purchase Consideration, subject to the terms and conditions as stipulated in the SSA. The Purchase Consideration shall be satisfied via issuance of 13,069,592 Consideration Shares by RAMSSOL on behalf of Rams Thailand to the Vendors at the Issue Price.

The details of the Vendors' shareholdings in GeekStart as at 12 June 2024, being the latest practicable date prior to the date of this announcement ("**LPD**") and the remaining 49.00% equity interest in GeekStart to be held by the Vendors after the Proposed Acquisition is set out as follows:

Shareholders	No. of GeekStart Shares held as at the LPD	%	No. of GeekStart Shares held after the Proposed Acquisition	%	Purchase Consideration for the Proposed Acquisition RM	No. of Consideration Shares	Shareholdings in RAMSSOL after the Proposed Acquisition (%)
Tanasak Tantitarntong	19,500	65.00	9,555	31.85	4,502,475	8,495,235	2.56
Kitipat Veerachien	9,000	30.00	4,410	14.70	2,078,065	3,920,877	1.18
Rujirat Chuangsungnern	1,500	5.00	735	2.45	346,344	653,480	0.20
Total	30,000	100.00	14,700	49.00	6,926,884	13,069,592	3.94

The issuance of the Consideration Shares will be undertaken pursuant to a general mandate under Section 75 and Section 76 of the Companies Act, 2016 (“**Act**”). The Company had obtained the approval from its shareholders at the last annual general meeting of the Company convened on 23 May 2024, authorising the Board to issue and allot not more than ten percent (10%) of the issued share capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Board may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Board (“**General Mandate**”). Such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company. Pursuant to the General Mandate obtained from the Company’s shareholders, the shareholders have agreed to waive the statutory pre-emptive rights of the shareholders of the RAMSSOL under Section 85 of the Act, read together with Regulation 12(2) of the Constitution of the Company, to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this General Mandate.

The total Consideration Shares of 13,069,592 represents 4.10% of the existing issued share capital of the Company of 318,963,500 Shares as at the LPD.

The Sale Shares from the Vendors are free from all encumbrances, liens, charges, pledges, equities, mortgages together with all rights and benefits attaching thereto, including but not limited to all bonuses, rights, dividends and other distributions paid or made after the date of the SSA.

Upon completion of the Proposed Acquisition, there will be an intercompany amount owing by Rams Thailand to RAMSSOL equivalent to the Purchase Consideration.

2.1 Information of Geekstart

GeekStart was incorporated in Thailand as a private limited company on 30 September 2010, with its registered office and principal place of business at 57/155, Soi Sala Daeng 2, Si Lom Road, Si Lom Sub-district, Bang Rak District, Bangkok, Thailand.

GeekStart is a digital technology company that is principally involved in the software development for the web, mobile and internet of things (“**IoT**”) applications. It specialises in custom software solutions for businesses where it develops, implements, integrates and provides maintenance for personalised software projects. GeekStart has implemented software projects in finance, procurement, IoT and production across various industries such as financial, property development, manufacturing and etc.

As at the LPD, the authorised share capital of GeekStart is Thai Baht (“**THB**”) 3,000,000 divided into 30,000 ordinary shares of THB100 each. The total issued and paid-up share capital is THB3,000,000 divided into 30,000 ordinary shares of THB100 each.

The directors of GeekStart are Tanasak Tantitarntong and Kitipat Veerachien, who are also the Vendors of the Proposed Acquisition.

The shareholders of GeekStart and their respective shareholdings in GeekStart as at the LPD are as follows:-

Shareholders	Unit	THB	Percentage (%)
Tanasak Tantitarntong	19,500	1,950,000	65.00
Kitipat Veerachien	9,000	900,000	30.00
Rujirat Chuangsungnern	1,500	150,000	5.00
Total	30,000	3,000,000	100.00

As at the LPD, GeekStart does not have any subsidiary, associate or joint venture company.

The summary of the financial information of GeekStart for the past three (3) audited financial year ended (“FYE”) 31 December 2021 to 31 December 2023 are set out below:

	FYE 31 December 2021		FYE 31 December 2022		FYE 31 December 2023	
	THB	*RM	THB	*RM	THB	*RM
Revenue	11,764,026	1,524,618	19,896,619	2,499,015	18,182,033	2,383,665
Profit before tax (“PBT”)	3,758,928	487,157	6,313,020	792,915	12,771,387	1,674,329
Profit after tax (“PAT”)	3,459,290	448,324	5,040,169	633,045	⁽¹⁾ 10,360,127	1,358,213
Share capital	3,000,000	374,100	3,000,000	381,600	3,000,000	402,900
Net assets (“NA”)	9,852,551	1,228,613	14,892,720	1,894,354	25,252,847	3,391,457
Total borrowings	-	-	-	-	-	-
Current assets	9,436,785	1,176,767	16,996,997	2,162,018	26,252,807	3,525,752
Current liabilities	140,375	17,505	2,699,289	343,350	1,638,366	220,033
No. of GeekStart Shares in issue (units)	30,000	30,000	30,000	30,000	30,000	30,000
Earnings per share (“EPS”)	115.31	14.94	168.01	21.10	345.34	45.27
NA per share	328.42	40.95	496.42	63.15	841.76	113.05
PBT margin (%)	31.95	31.95	31.73	31.73	70.24	70.24
PAT margin (%)	29.41	29.41	25.33	25.33	56.98	56.98
Gearing ratio (times)	-	-	-	-	-	-
Current ratio (times)	67.23	67.23	6.30	6.30	16.02	16.02

Notes:

(1) The increase in PAT in FYE 31 December 2023 was attributable to streamlining of salaries, wages and administrative cost to achieve cost efficiencies

* Converted based on the following exchange rates as extracted from BNM's website:

(i) income and expenses using the average rate for the financial years under review:

FYE	Exchange rate (THB/RM)
31 December 2021	0.1296
31 December 2022	0.1256
31 December 2023	0.1311

(ii) assets and liabilities using the closing rate for the financial year under review:

FYE	Exchange rate (THB/RM)
31 December 2021	0.1247
31 December 2022	0.1272
31 December 2023	0.1343

2.2 Information on the Vendors

Tanasak Tantitarntong, a Thai aged 40, graduated with a bachelor's degree in computer science. He is a co-founder of GeekStart. As a computer science graduate, he specialises in the information technology ("IT") programming field and presently serves as the chief technology officer in GeekStart. Notwithstanding, he takes on various responsibilities such as designing and building mobile applications, managing the software development projects, as well as overseeing the human resource and finance functions in GeekStart.

Kitipat Veerachien, a Thai aged 36, graduated with a bachelor's degree in IT engineering. He is a co-founder of GeekStart. Presently, he is the Sales and Marketing Director of GeekStart where he is responsible in driving the growth of GeekStart as well as ensuring customer satisfaction. He has vast experience in the IT related field including managing computer system projects across various business functions as well as delivering innovative project solutions.

Rujirat Chuangsungnern, a Thai aged 34, graduated with a bachelor's degree in management information system. She currently serves as the chief relationship officer at Geekstart where she is responsible for strategising and managing relationships with customers and business partners, as well as making key decisions related to marketing, sales, and customer service to ensure business growth.

2.3 Basis of arriving at the Purchase Consideration

The Purchase Consideration was arrived at, on a willing-buyer willing-seller basis, after taking into account the following:

- (i) the audited PAT of GeekStart for the FYE 31 December 2023 of THB10.36 million (equivalent to approximately RM1.36 million^);

- (ii) the Profit Guarantee of not less than THB36.59 million (equivalent to approximately RM4.70 million*) for FYE 31 December 2024 and Profit Guarantee of not less than THB54.88 million (equivalent to approximately RM7.05 million*) for FYE 31 December 2025, as detailed in Section 2.6 of this announcement; and
- (iii) the rationale and potential benefits to be accrued by RAMSSOL and its group of companies ("**RAMSSOL Group**" or "**Group**") through the Proposed Acquisition.

Notes:

[^] Based on the average THB/RM exchange rate of 0.1311 for FYE 31 December 2023 (source: Bank Negara Malaysia website).

^{*} Based on THB/RM exchange rate of 0.1285 as at the LPD (source: Bank Negara Malaysia website)

The Board has benchmarked the price-to-earnings ("**PE**") multiple to the valuation statistics of comparable companies of GeekStart with broadly similar principal activities to the business of GeekStart in software development for the web, mobile and IoT applications. However, there is no public listed company which is identical to GeekStart in respect of, amongst others, the composition of business activities, geographical markets as well as size and scale of business operations.

The comparable companies have been arrived at based on the following parameters:-

- (i) public listed companies in Malaysia and Thailand with market capitalisation of up to RM250.0 million;
- (ii) profitable based on its 12-month trailing results; and
- (iii) principally involved in software development;

to provide relative valuation statistics. Nevertheless, it should be noted that this comparable valuation statistics is carried out purely to provide an indicative benchmark valuation of the Purchase Consideration.

The valuation of GeekStart is as follows:

	RM'million
Purchase Consideration	6.93
PAT for the FYE 31 December 2023 (assuming 51.00% equity value)	0.69 ⁽¹⁾
PAT based on the Profit Guarantee for FYE 31 December 2024 (assuming 51.00% equity value)	2.40 ⁽²⁾
PAT based on the Profit Guarantee for FYE 31 December 2025 (assuming 51.00% equity value)	3.60 ⁽³⁾

PE multiple (historical) (times)	10.00
PE multiple (Profit Guarantee for FYE 31 December 2024) (times)	2.89
PE multiple (Profit Guarantee for FYE 31 December 2025) (times)	1.93

Notes:-

- (1) Computed based on the audited PAT of GeekStart for the FYE 31 December 2023 of THB10.36 million (equivalent to approximately RM1.36 million[^]).
- (2) Computed based on the Profit Guarantee of THB36.59 million (equivalent to approximately RM4.70 million^{*}) for FYE 31 December 2024.
- (3) Computed based on the Profit Guarantee of THB54.88 million (equivalent to approximately RM7.05 million^{*}) for FYE 31 December 2025.

Notes:

- [^] Based on the average THB/RM exchange rate of 0.1311 for FYE 31 December 2023 (source: Bank Negara Malaysia website).
- ^{*} Based on THB/RM exchange rate of 0.1285 as at the LPD (source: Bank Negara Malaysia website)

The details of the comparable companies are set out below:

Malaysia

Malaysia Comparable Companies	Principal activities	Market Capitalisation as at the LPD (RM million)	Closing price as at the LPD (RM)	Trailing 12-month PAT (RM million)	EPS ⁽¹⁾ (sen)	PE multiple (times)
Excel Force MSC Berhad	Develops, maintains, and markets straight through processing-enabled application solutions. The Company also provides information technology facility management and outsourcing services via an application service provider model. Excel Force primarily serves the stock broking and banking sectors.	237.85	0.39	7.24	1.19	32.84
Agmo Holdings Berhad	Provides application development and digital solutions. The company develops mobile and web applications, as well as provision of digital platform-based services such as subscription, hosting, technical support, and maintenance.	204.75	0.63	7.78	2.39	26.31
Censof Holdings Berhad	Designs, develops, implements, and markets financial management software and services. The company's solutions include a suite of financial management modules that act as source of information and adaptable to various platforms and a suite of financial management modules that focuses on the functionality of government financials.	204.34	0.37	4.62	0.84	44.21
Opensys (M) Berhad	Designs and develops touch ESM (Efficient Service Machine), develops and licenses proprietary enterprise software products for customers in the financial services industry under its eSys suite of solutions, and provides IT services with its own software products.	192.14	0.43	12.74	2.85	15.08
Rexit Berhad	Provides business application solutions. The Company's services range from conceptual development and project management, to overall systems implementation. Rexit has developed and owns software application solutions, such as insurance management, imaging and workflow systems, and wireless radio frequency identification tracking systems.	187.44	0.99	13.94	7.36	13.45
					High	44.21
					Low	13.45
					Average	26.38

Thailand

Thailand Comparable Companies	Principal activities	^Market Capitalisation as at the LPD		^Closing price as at the LPD		^Trailing 12-month PAT		EPS ⁽¹⁾		PE multiple (times)
		(THB million)	(RM million)	(THB)	(RM)	(THB million)	(RM million)	(THB sen)	(RM sen)	
TBN Corporation Public Company Limited	Provides software solutions, develops and markets low-code platform that allows users with no coding experience to develop complex business solutions.	935.00	120.10	9.35	1.20	57.18	7.34	57.18	7.34	16.35
Sirisoft Public Company Limited	Provides information technology services. The Company offers software development, database, middleware and app integration, IT Support, and consulting services. Sirisoft serves clients in Thailand.	912.00	117.15	5.70	0.73	59.52	7.65	37.20	4.78	15.32
AppCad Public Company Limited	Designs and develops software solutions. The company offers CAD (computer-aided design) software for manufacturing, architecture, construction, educational institutions, and government agencies.	534.20	69.77	1.94	0.25	33.25	4.27	11.88	1.53	16.34
International Research Corporation Public Company Limited	Provides various information technology services. The Company offers consulting and system integration services of computer and networking systems. Additionally, it is an authorised software replicator of Microsoft Corporation. International Research also develops software, and sells testing and measurement equipment.	374.10	48.05	0.60	0.08	40.90	5.25	6.56	0.84	9.15
									High Low Average	16.35 9.15 14.29

Notes:-

(1) Computed based on trailing twelve (12) months PAT of the respective companies.

^ Based on the THB/RM exchange rate of 0.1285 as at the LPD (source: Bank Negara Malaysia website)

(Source: Bloomberg as at the LPD)

As illustrated above, the PE multiple (historical) of 10.00 times pursuant to the Proposed Acquisition is below the range of the PE multiples of the Malaysia Comparable Companies of between 13.45 times to 44.21 times. In addition, the PE multiple (historical) is within the range of the PE multiples of the Thailand Comparable Companies of between 9.15 times to 16.35 times.

The PE multiple (Profit Guarantee for FYE 31 December 2024) of 2.89 times and the PE multiple (Profit Guarantee for FYE 31 December 2025) of 1.93 times pursuant to the Proposed Acquisition is below the range of the PE multiples of the Malaysia Comparable Companies of between 13.45 times to 44.21 times. In addition, the PE multiple (based on the Profit Guarantee) are below the range of the PE multiples of the Thailand Comparable Companies of between 9.15 times to 16.35 times.

2.4 Basis of arriving at the issue price of the Consideration Shares

The Issue Price was agreed upon after taking into consideration the following:-

- (a) it represents a discount of 3.93% to the 5-day volume-weighted average market price (“**VWAP**”) of RAMSSOL Shares up to and including 24 June 2024, being the date immediately preceding the date of the SSA, of RM0.5517;
- (b) the Issue Price falls within the range of the low and high prices of RAMSSOL Shares for the past one (1) year up to LPD of RM0.32 and RM0.57 respectively; and
- (c) the rationale for the Proposed Acquisition as set out in Section 4.0 of this announcement.

2.5 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Consideration Shares.

2.6 Profit Guarantee

In consideration of Rams Thailand acquiring the Sale Shares, the Vendor(s) agrees, undertakes and guarantees that the PAT of GeekStart for the FYE 31 December 2024 (“**First-Year Profit Guarantee Period**”) shall not be less than THB36.59 million (equivalent to approximately RM4.70 million*) and the PAT for GeekStart for FYE 31 December 2025 (“**Second-Year Profit Guarantee Period**”) shall not be less than THB54.88 million (equivalent to approximately RM7.05 million*). For information, the Profit Guarantee attributable to the 51.00% equity interest in GeekStart amounts to THB18.66 million (equivalent to approximately RM2.40 million*) and THB27.99 million (equivalent to approximately RM3.60 million*) for the First-Year Profit Guarantee Period and the Second-Year Profit Guarantee Period, respectively.

If the PAT of GeekStart is less than the Profit Guarantee in respect of the First-Year Profit Guarantee Period and the Second-Year Profit Guarantee Period ("**Shortfall**"), the Vendors shall jointly and severally be liable to fully pay 51.00% the Shortfall to RAMSSOL or Rams Thailand in cash within fourteen (14) business days from the relevant written notice to the Vendors on the Shortfall.

The Board is of the opinion that the Profit Guarantee is reasonable and realistic after taking into the consideration, amongst others, the following:-

- (i) the audited PAT of GeekStart for FYE 2023 of THB10.36 million (equivalent to approximately RM1.36 million[^]);
- (ii) the unaudited PAT of GeekStart of THB2.40 million (equivalent to approximately RM0.31 million^{*}) for the financial period ended 31 May 2024 coupled with the secured order book of GeekStart of THB29.97 million (equivalent to approximately RM3.85 million^{*}) as at the LPD;
- (iii) the future prospects of GeekStart and the IT industry in Thailand as detailed in Section 5.4 of this announcement.

Notes:

[^] Based on the average THB/RM exchange rate of 0.1311 for FYE 31 December 2023 (source: Bank Negara Malaysia website).

^{*} Based on THB/RM exchange rate of 0.1285 as at the LPD (source: Bank Negara Malaysia website)

2.7 Liabilities to be assumed

Save for the liabilities in the financial statements of GeekStart which will be consolidated into the results of the Group, the Group will not assume any other liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Acquisition.

2.8 Listing of and quotation for the Consideration Shares

An application will be made to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities.

2.9 Estimated financial commitments

The Board does not foresee any material financial commitments required following the completion of the Proposed Acquisition.

2.10 Source of Funding

The Purchase Consideration will be satisfied via issuance of 13,069,592 Consideration Shares by RAMSSOL on behalf of Rams Thailand to the Vendors at an issue price of RM0.53 per Consideration Share.

3.0 SALIENT TERMS OF THE SSA

3.1 Purchase Consideration

Subject to the terms and conditions of the SSA, the Purchase Consideration for the Sale Shares shall be satisfied by the Consideration Shares.

3.2 Conditions Precedent

- i) The approval-in-principle of Bursa Securities for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities.
- ii) The approval of the board of directors of RAMSSOL to amongst others:
 - (a) to carry out the Proposed Acquisition; and
 - (b) to issue and allot the Consideration Shares pursuant to the Proposed Acquisition.
- iii) The approval of the board of directors of Rams Thailand for the Proposed Acquisition.
- iv) Such other approvals or consents as may be required for the Proposed Acquisition.

3.3 Completion Date and Venue

Subject to fulfillment of the Conditions Precedent as set out in Section 3.2 of this announcement and the terms and conditions of the SSA, completion will take place seven (7) days from the date of the SSA becomes unconditional pursuant to the SSA ("**Completion Date**") at the office of Rams Thailand's Thai legal counsel or at such other time and place as RAMSSOL, Rams Thailand and the Vendors (each a "**Party**" and collectively, "**Parties**") agree in writing.

3.4 Termination of the SSA

If a Party ("**Defaulting Party**"):

- i) fails to proceed to the completion of the Proposed Acquisition ("**Completion**") despite the fulfilment of all the Conditions Precedent as set out in Section 3.2 of this announcement;
- ii) fails to carry out any obligation on its part under the SSA required for Completion;
- iii) is in breach of any term or conditions of the SSA prior to the Completion Date; and/or
- iv) any of the warranties contained in the SSA are false, incorrect or incomplete such as to render the warranties misleading,

and the Defaulting Party fails to remedy such breach within thirty (30) days after

the other party (“**Non-Defaulting Party**”) has given that Defaulting Party written notice of such breach, the Non-Defaulting Party may give written notice to the Defaulting Party:

- i) terminating the SSA and claim for damages;
- ii) enforcing specific performance pursuant to the SSA against the Defaulting Party;
- iii) defer Completion to a date not more than thirty (30) days after Completion Date or such other date as may be agreed by the Parties in writing; or
- iv) proceed to Completion so far as practicable (without prejudice to their rights under the SSA),

in addition to any other rights or remedies as may be available to the Non-Defaulting Party under the law and/or equity.

3.5 Profit Guarantee

- (i) In consideration of Rams Thailand agreeing to the purchase the Sale Shares in accordance with the terms of the SSA from the Vendors, the Vendors covenant with and undertake to Rams Thailand that GeekStart shall achieve the Profit Guarantee for FYE 31 December 2024 and FYE 31 December 2025 respectively as set out in Section 2.6 of this announcement.
- (ii) In the event there is any shortfall in the Profit Guarantee as set out in Section 2.6 of this announcement based on the audited accounts of GeekStart for the relevant financial year which shall be prepared in accordance with the Thai Financial Reporting Standards audited by the external certified auditors for the relevant financial year, Rams Thailand shall issue a written notice to the Vendors on the Shortfall (“**Shortfall Notice**”) and the Vendors shall jointly and severally be responsible to top up 51.00% the Shortfall in cash to RAMSSOL or Rams Thailand within a period of fourteen (14) business days from the relevant Shortfall Notice.

4.0 RATIONALE OF THE PROPOSED ACQUISITION

Guided by its mission to provide technology that fosters relationships and drives progress, RAMSSOL Group has centred the various pillars of its businesses, in particular PeopleTech, EduTech, AutoTech, FinTech and MarTech to use digital solutions to connect businesses with its stakeholders. Over the years the Group has developed various software such as carbon trading and smart property management platform, EnGo, RiderGate and EWA to deliver its proprietary solutions for its customers.

While certain aspects of such software development have been undertaken internally, the Group has outsourced a significant part of such development to external technology experts, in particular on the front-end development, back-end development, testing as well as functions integration.

GeekStart specialises in the software development for the web, mobile and IoT applications, and has an entrenched market position in the Thailand application development market, with notable customers in the financial, property development and manufacturing industries. GeekStart is equipped with the technical capabilities to undertake front-end development using VueJS, ReactJS, ReactNative etc, and back-end development using Ruby on Rails, NodeJS etc.

The Proposed Acquisition provides an opportunity for the Group to internalise a significant portion of such functions, thereby achieving cost efficiency in the long-run as well as better control over the development timeframe. In addition, RAMSSOL and GeekStart may also leverage on each other's customer base to cross-sell digital solutions to their respective customers, thereby realising synergistic business development opportunities.

In addition, the Proposed Acquisition will provide the opportunity for GeekStart to capitalise on RAMSSOL Group's sales team's capabilities to develop a more efficient go-to-market strategy, for both the Thailand and Malaysia markets. The Proposed Acquisition will also allow the Group to grow its presence regionally especially in Thailand together with GeekStart where it already has established an entrenched market position. Further, GeekStart has proven ability in developing new solutions to address customer demands and new technologies. RAMSSOL Group's research and development capabilities will be bolstered by being able to collaborate with GeekStart, allowing for stronger product development capabilities.

5.0 INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and Outlook of Malaysia's Economy

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic (E&E) and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).

Headline inflation remained moderate at 1.7% during the quarter (4Q 2023: 1.6%). The modest increase in headline inflation reflects the policy adjustments to water tariffs in February and services tax for high-usage electricity in March, which increased by 20.8% (4Q 2023: 2.1%) and 0.7% (4Q 2023: 0%) respectively. Core inflation moderated to 1.8% (4Q 2023: 2%), largely driven by continued easing in the food and beverages segment. Inflation pervasiveness edged higher, as the share of Consumer Price Index (CPI) items recording monthly price increases rose to 44.2% during the quarter (4Q 2023: 36.3%). Nonetheless, this remains well below the first quarter long-term average (corresponding first quarter periods during 2011-2019) of 52.2%.

For 2024, headline and core inflation are projected to remain moderate between 2% – 3.5% and 2% – 3%, respectively. These broadly reflect stabilising demand and contained cost pressures, coupled with some potential upside that could arise from the implementation of fuel subsidy rationalisation. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The GDP is forecast to expand by approximately 4% in 2023 and between 4% and 5% in 2024. The Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 (NIMP 2030), and the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

Furthermore, Malaysia's domestic demand in 2023 continues to be buoyed by expansion in consumption and investment spending. This is also supported by favourable labour market condition and easing inflationary pressures as well as vibrant tourism activities. The surge of private investment is attributed to the multiyear execution of infrastructure ventures and sustained capital investments in the services and manufacturing sectors. The robust activity in private sector expenditure is expected to offset the effects of moderate public spending in 2023.

In 2024, private sector expenditure remains as the main contributor in driving economic activities owing to stronger domestic demand. In addition, Government initiatives to support household spending through cash transfers to targeted groups and the growing social commerce trend are expected to boost private consumption. Meanwhile, private investment is poised to accelerate further driven by improved business environment in consonance with positive response towards Government's strategies and measures in attracting high-tech and high-value investments via the NETR and NIMP 2030.

(Source: Economic Outlook 2024, Ministry of Finance)

5.2 Overview and Outlook of Thailand's Economy

The Thai economy slowed down in March 2024 as domestic demands and tourism sectors softened after expanding well in the preceding periods and partly because the benefits from the Easy E-Receipt campaign dissipated. Despite this slowdown, the economy showed signs of improvement in the first quarter compared to the previous one. But the overall growth was likely to remain low on a year-on-year basis. The tourism sectors continued to be the main driver of economic activity within the service sectors, leading to increased employment. Private investment also increased, particularly in new industries and services. On the other hand, exports and manufacturing production remained stagnant due to weak global demand and structural factors that

suppressed production. Private consumption declined, particularly in durable goods, despite an improvement in non-durable goods. Government spending also contracted due to the delay of the 2024 budget.

On the economic stability front, headline inflation was less negative due to higher fresh food inflation, as the high base effect diminished in conjunction with increases in vegetable and fruit prices. Energy inflation also increased, following increases in benzene prices in line with the global crude oil prices. Meanwhile, core inflation decreased due to a high base effect and a decline in personal goods prices due to several promotional campaigns. Prices of some food items, however, increased such as non-alcoholic beverages and food away from home. The labor market conditions improved in both manufacturing and service sectors. The current account registered a smaller surplus mainly due to a lower trade surplus, while the services, income, and transfers recorded a small surplus, close to the previous month. In terms of private sector financing, the outstanding of business funding declined from previous month mainly due to lower corporate bond funding in the food and beverage businesses as many of their bonds reached maturity and part of them had been previously financed. As for exchange rates, the baht against the U.S. dollar, on average, depreciated as the market anticipated that the U.S. Federal Reserve would leave the interest unchanged for longer. Moreover, the exchange rate was also affected by the geopolitical concerns in the Middle East and the lower-than-expected economic performance of Thailand.

(Source: Economic and Monetary Conditions, March 2024, Bank of Thailand)

5.3 Overview and Outlook of the Information and Communication Technology (“ICT”) Industry in Malaysia

The ICT industry is one of the few sectors that has seen strong growth since the pandemic. In 2021, the most recent complete year data available, ICT contributed 23.2% to Malaysia’s GDP and is projected to rise to 25.5% by 2025. The government and private sector in Malaysia are in the process of embracing a country-wide digital transformation. The digitalization of operations across all major industrial sectors will be a decisive factor in securing Malaysia’s role in the future global economy.

To support this nationwide vision, the Malaysian government (“**Government**”) launched the MyDIGITAL initiative as part of the Malaysia Economy Digital Economy Blueprint. This initiative is part of the Government’s plans to transform Malaysia into a digitally driven, high-income nation and a regional leader in the digital economy by 2030. Through the Government’s Cloud First strategy under the MyDIGITAL blueprint, Malaysia looks to enhance its capabilities as a regional data hub, welcoming investment in data centers.

Data systems integration is a critical tool in driving Malaysian government plans. Those initiatives aim to accelerate digitalization across all industrial sectors by implementing digital technologies such as AI, the Internet of Things (IOT), Big Data Analytics (BDA), and cloud computing. Emerging technologies, including robotic process automation, virtual reality, digital payment, 5G technologies, and blockchain, are developing rapidly in Malaysia to accelerate digital transformation in all sectors.

The Government is offering wide-ranging incentives to encourage the adoption of digital technologies. These incentives include tax breaks for the E&E sector and related intellectual property, automation equipment capital allowance for services, incentives for digitalization and innovation efforts, and a \$4.6 billion Industry Digitalization Transformation Fund.

(Source: Information & Communications Technology, International Trade Administration, U.S. Department of Commerce)

5.4 Overview and Outlook of the IT Industry in Thailand

Thailand IT and security market analysis

The Thailand IT and security market size is estimated at USD 7.78 billion in 2024, and is expected to reach USD 15.71 billion by 2029, growing at a compound annual growth rate (CAGR) of 15.07% during the forecast period from 2024 to 2029.

Thailand IT and security market trends - increasing demand for digitalisation and scalable IT infrastructure

Thailand is working towards improving its economy's growth by moving from an industrialized country into one that runs on high-tech innovation. In view of the increased competition brought about by this digitized economy, Thai business leaders are adopting new technology that enables their businesses to succeed.

Regarding future technology plans, the adoption of emerging technologies is expected to grow as businesses look to replace outdated infrastructure. Technologies like artificial intelligence (AI), Internet of Things (IoT), and robotic process automation (RPA) are transforming the customer experience across fintech sectors, enabling the preference for scalable IT infrastructure in the wake of increased P2P transfers and payments, contactless bank cards, and cryptocurrency management via digital channels.

In addition, the government of Thailand support for digital projects in the country is further propelling digitalization momentum, creating demand for IT and security related solutions and services. For instance, in January 2022, the Thailand government allocated THB 2.4 billion (USD 72 million) in FY2022 for the implementation of six digital projects under the Thailand Digital Government Development Plan (2023-2027).

In June 2023, Factorytalk, one of the leading providers of IT solutions and compliance consulting services to the life sciences and pharmaceutical sectors, announced the expansion of its sister company, BatchLine, in Thailand. With this expansion, the company aims to offer advanced software and digital solutions to 'GxP' regulated manufacturing companies in the country seeking to digitalize their operations and increase their competitiveness in the rapidly evolving industry landscape.

(Source: IT Industry in Thailand Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029), Mordor Intelligence)

5.5 Prospects of the Proposed Acquisition

GeekStart is principally involved in the software development for the web, mobile and IoT applications. GeekStart has demonstrated technical capabilities in developing new solutions and new technologies to address customer demands in this rapidly evolving sector.

With the Proposed Acquisition, the Group aims to achieve effective project cost management by leveraging on the in-house capabilities of GeekStart towards existing as well as new projects of the Group. In addition, the Proposed Acquisition will allow the Group to grow its presence in the region, particularly in Thailand, by penetrating a new customer base, capitalising on the relationship and track record of GeekStart in Thailand of which the Group will be able to enjoy synergistic business development opportunities. Furthermore, the satisfaction of the Purchase Consideration via issuance of shares will allow the Group to conserve its cash for its immediate operating expenses and capital expenditure requirements.

For the audited FYE 31 December 2023, the revenue achieved by GeekStart of THB24.64 million (equivalent to approximately RM3.23 million[^]) which represents an approximately 10.63% of the Group's revenue for FYE 31 December 2023 amounting to RM30.38 million.

Barring any unforeseen circumstances, the Board expects the Proposed Acquisition to contribute positively to the enlarged RAMSSOL Group.

Notes: ^ Based on the average THB/RM exchange rate of 0.1311 for FYE 31 December 2023 (source: Bank Negara Malaysia website).

6.0 RISK FACTORS

6.1 Transaction Risk

There is a possibility that the Proposed Acquisition may not be completed due to failure in fulfilling the Conditions Precedent as set out in the SSA within the timeframe prescribed therein.

Nevertheless, the Board will take reasonable steps to ensure that the Conditions Precedent as set out in the SSA are met within the stipulated timeframe and that every effort is made to obtain all necessary approvals for the Proposed Acquisition in order to complete the Proposed Acquisition in a timely manner.

6.2 Achievability of the Profit Guarantee

The Profit Guarantee is based on various bases and assumptions which are deemed reasonable, but nevertheless subject to certain uncertainties and contingencies, which may be outside of RAMSSOL's control.

While the Board has taken reasonable steps to assess the achievability of the Profit Guarantee, there can be no assurance that the Profit Guarantee will be met. Nevertheless, in the event any Shortfall arise, the Vendors jointly and severally agree and covenant to make good the Shortfall by paying to

RAMSSOL or Rams Thailand in cash 51.00% the Shortfall amount.

6.3 Investment risk

The Proposed Acquisition is expected to contribute positively to the future financial performance of RAMSSOL. However, there is no assurance that the anticipated benefit of the Proposed Acquisition will be fully realised after the completion of the Proposed Acquisition or that GeekStart will be able to generate sufficient returns to offset the associated cost of the investment.

Nevertheless, the Board has exercised due care in considering the potential risk and benefits associated with the Proposed Acquisition after taking into consideration, amongst others, the prospects of GeekStart and the experience and expertise of the Vendors. In this regard, the Group is fully committed to deploying its best efforts to ensure the seamless integration of the technology provided by GeekStart into the existing RAMSSOL applications and to realise the synergistic benefit from the Proposed Acquisition.

7.0 EFFECTS OF THE PROPOSED ACQUISITION

7.1 Issued Share Capital

The pro forma effects of the Proposed Acquisition on the issued share capital of the Company are as follows:

	No. of Shares	Share Capital (RM)
Share capital as at the LPD	318,963,500	61,745,269
Consideration Shares to be issued pursuant to the Proposed Acquisition	13,069,592	6,926,884 ⁽¹⁾
Enlarged share capital	332,033,092	68,672,153

Note: ⁽¹⁾ Based on an indicative issue price of RM0.53 per Consideration Share.

7.2 Substantial shareholders' shareholding

The pro forma effects of the Proposed Acquisition on the shareholdings of the Company's substantial shareholders are as follows:

Substantial shareholders	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)(1)	No. of Shares	(%)(1)	No. of Shares	(%)(2)	No. of Shares	(%)(2)
Datuk Seri Tan Chee Seng	76,285,597	23.92	⁽³⁾ 100,000	0.03	76,285,597	22.98	⁽³⁾ 100,000	0.03
Tan Sri Dr. Lim Wee Chai	18,300,000	5.74	-	-	18,300,000	5.51	-	-
Tanasak Tantitarntong	-	-	-	-	8,495,235	2.56	-	-
Kitipat Veerachien	-	-	-	-	3,920,877	1.18	-	-
Rujirat Chuangsungnern	-	-	-	-	653,480	0.20	-	-

Note:

(1) Based on issue shares of RAMSSOL of 318,963,500 as at the LPD.

(2) Based on issue shares of RAMSSOL of 332,033,092 after the Proposed Acquisition.

(3) Deemed interested by virtue of the shares held by spouse pursuant to Section 8 of the Act

7.3 NA, NA per share and gearing

For illustration purposes, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Group based on the audited consolidated statement of financial position of RAMSSOL as at 31 December 2023 are set out below:-.

	Audited as at 31 December 2023 RM	After the Proposed Acquisition RM
Share capital	61,745,269	68,672,153
Merger deficit	(1,073,703)	(1,073,703)
Foreign currency translation reserve	185,589	185,589
Fair value reserve	(856,549)	(856,549)
Retained earnings/ (Accumulated losses)	25,185,880	#25,020,880
Non-controlling interests	85,186,486 (3,928,603)	91,948,370 ^(5,604,434)
Total Equity/ NA	81,257,883	86,343,936
No. of RAMSSOL Shares in issue	318,963,500	332,033,092
NA per RAMSSOL Share (RM)	0.25	0.26
Total borrowings	13,281,627	13,281,627
Gearing (times)	0.16	0.15

Notes:

Taking into account the estimated expenses for the Proposed Acquisition of RM165,000.

^ Taking into account 49.41% of the audited net assets of GeekStart for FYE 31 December 2023 amounting to approximately THB25.25 million (equivalent to approximately RM3.39 million based on the closing rate of THB/RM exchange rate of 0.1343 for FYE 31 December 2023) (source: Bank Negara Malaysia website)

7.4 Earnings and EPS

The Proposed Acquisition is expected to be completed by the third (3rd) quarter of 2024 and it is expected to contribute positively to the future earnings and EPS of the RAMSSOL Group.

For illustrative purposes, based on the latest audited consolidated statement of profit or loss of RAMSSOL for the FYE 31 December 2023 and the latest audited statements of Geekstart for the FYE 31 December 2023 and assuming that the Proposed Acquisition had been effected on 1 January 2023, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the RAMSSOL Group are set out as follows:

	Audited as at 31 December 2023	After the Proposed Acquisition
	RM	RM
PAT attributable to the owners of RAMSSOL	6,260,422	6,260,422
Add: PAT of Geekstart ⁽ⁱ⁾	-	692,688
Less: Estimated expenses	-	(165,000)
Enlarged PAT	6,260,422	6,788,110
No. of RAMSSOL Shares in issue	318,963,500	332,033,092
EPS (sen)	1.96	2.04

Note:

(i) Computed based on 51.00% of the audited PAT of Geekstart for the FYE 31 December 2023 amounting to approximately THB10.36 million (equivalent to approximately RM1.36 million based on the average THB/RM exchange rate of 0.1311 for FYE 31 December 2023) (source: Bank Negara Malaysia website)

7.5 Convertible securities

As at LPD, the Company has 122,678,296 outstanding warrants 2023/2028 (“**Warrants**”) in the Company. According to the deed poll in relation to the Warrants, the Proposed Acquisition will not result in any adjustment to the exercise price and/or number of outstanding Warrants 2023/2028.

8.0 PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Acquisition is approximately 11.06% pursuant to paragraph 10.02(g) of the ACE Market listing requirement of Bursa Securities calculated based on the audited consolidated financial statements of RAMSSOL for the financial year ended 31 December 2023.

9.0 APPROVALS REQUIRED

The Proposed Acquisition is subject to the following approvals being obtained:

- (i) the approval of Bursa Securities for the listing of and quotation for 13,069,592 RAMSSOL Shares on the ACE Market of Bursa Securities; and
- (ii) the approvals / consents of any other relevant authorities and/or parties, if required.

As the Board intends to issue and allot the RAMSSOL Shares pursuant to the General Mandate, the Proposed Acquisition will not require the approval of the shareholders of the Company. The Proposed Acquisition is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by the Company.

10.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM

None of the Directors, major shareholders and/or persons connected to them has any interest, whether direct or indirect, in the Proposed Acquisition.

11.0 DIRECTORS' STATEMENT

The Board having considered all aspects of the Proposed Acquisition including the rationale for the Proposed Acquisition, industry outlook and prospects, and the risk factors as set out in Sections 4, 5 and 6 of this announcement, respectively is of the opinion that the Proposed Acquisition is in the best interest of the Group.

12.0 APPLICATIONS TO THE AUTHORITIES

Mercury Securities Sdn. Bhd. has been appointed as the Adviser to the Company in relation to the listing application for the Consideration Shares to be listed on the ACE Market of Bursa Securities.

13.0 ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the third (3rd) quarter of 2024.

14.0 DOCUMENTS FOR INSPECTION

A copy of the SSA is available for inspection at the registered office of the Company located at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields 50470 Kuala Lumpur W.P. Kuala Lumpur during normal business hours on Mondays to Fridays (except Saturdays, Sundays and Public Holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 25 June 2024.