

Company Name : RAMSSOL GROUP BERHAD (“RAMSSOL” OR THE “COMPANY”)
Description : PROPOSED ACQUISITION OF 51.00% EQUITY INTEREST IN GEEKSTART COMPANY LIMITED (“PROPOSED ACQUISITION”)

(Unless otherwise defined, the abbreviations and definitions used in the announcement in relation to the Proposed Acquisition dated 25 June 2024 (“Initial Announcement”) shall apply herein.)

Reference is made to the Initial Announcement.

On behalf of the Board, Mercury Securities wishes to furnish the following additional information (see underlined) in relation to the Proposed Acquisition.

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. Subject to fulfilment of the Conditions Precedent as set out in Section 3.2 of the Initial Announcement, the Consideration Shares will be issued to the Vendors within 7 days from the date of the SSA becoming unconditional pursuant to the SSA or such other date as may be mutually agreed by the parties in writing.

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% 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. For information purposes, RAMSSOL does not have any treasury shares as at the LPD and the issuance of Consideration Shares is in compliance with Rule 6.04(1) of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements"). For avoidance of doubt, RAMSSOL has not issued any Shares under the General Mandate during the preceding 12 months from the date of this announcement.

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.

2.4 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. The Board is of the view that the discount of 3.93% is reasonable after taking into consideration the market risk of Ramssol Shares assumed by the Vendors, which is influenced by, amongst others, the market sentiment, the liquidity of Ramssol Shares as well as the volatility of the general equity markets;
- (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.

2.6 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 or GeekStart recorded a loss after tax 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 14 business days from the relevant written notice to the Vendors on the Shortfall. For information, there is no security provided by the Vendors for the performance in relation to the Profit Guarantee.

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)*

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

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

This announcement is dated 11 July 2024.