

RAMSSOL GROUP BERHAD

Company No: 201901001120 (1310446-A)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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

	Notes	Quarter ended		Period ended	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
		Unaudited	Audited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		10,452	7,680	61,650	30,378
Cost of sales		(3,653)	(867)	(20,796)	(9,456)
Gross profit		6,799	6,813	40,854	20,922
Other income		-	(85)	219	211
		6,799	6,728	41,073	21,133
Administrative expenses		(3,536)	(3,807)	(20,196)	(11,174)
Other expenses		(879)	(784)	(3,293)	(1,491)
		(4,415)	(4,591)	(23,489)	(12,665)
Profit from operations		2,384	2,137	17,584	8,468
Finance costs		(561)	(411)	(1,754)	(1,279)
Profit before taxation	B5	1,823	1,726	15,830	7,189
Income tax expense	B6	(231)	(1,172)	(1,184)	(1,189)
Profit after taxation		1,592	554	14,646	6,000
Other comprehensive (loss)/ income					
Item that will be reclassified					
subsequently to profit or loss:					
Change in fair value of other investment		(3,094)	-	(3,094)	(724)
Foreign currency translation differences		(7)	(695)	(37)	(13)
Total comprehensive (loss)/ income for the financial period/year		(1,509)	(141)	11,515	5,263

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

	Notes	Quarter ended		Period ended	
		Unaudited	Audited	Unaudited	Audited
		31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
Profit after taxation attributable to:					
Owners of the Company		620	506	13,506	6,261
Non-Controlling Interests		972	48	1,140	(261)
		<u>1,592</u>	<u>554</u>	<u>14,646</u>	<u>6,000</u>
Total comprehensive income attributable to:					
Owners of the Company		(2,547)	(190)	10,356	5,506
Non-Controlling Interests		1,038	49	1,159	(243)
		<u>(1,509)</u>	<u>(141)</u>	<u>11,515</u>	<u>5,263</u>
Earnings per share (sen)					
- Basic	B12	0.18	0.16	4.14	2.44
- Diluted	B12	0.13	0.13	2.85	1.99

Note:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the unaudited consolidated financial statements for the financial year ended 31 December 2023 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 FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Notes	Unaudited As at 31/12/2024 RM'000	Audited As at 31/12/2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,044	3,338
Right-of-use assets		803	843
Investment property		701	718
Intangible assets		48,553	43,286
Goodwill on consolidation		5,884	223
Other Investment		1,549	4,643
Total Non-Current Assets		60,534	53,051
Current Assets			
Trade receivables		22,374	16,558
Other receivables, deposits, and prepayments		14,239	3,946
Contract assets		28,057	18,930
Fixed deposits and bank balances		30,748	8,348
Total Current Assets		95,418	47,782
TOTAL ASSETS		155,952	100,833
EQUITY AND LIABILITIES			
EQUITY			
Share capital		79,517	61,745
Reserves		35,137	23,441
Equity attributable to owners of the Company		114,654	85,186
Non-controlling interests		(1,424)	(3,929)
TOTAL EQUITY		113,230	81,257

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

	Notes	Unaudited As at 31/12/2024 RM'000	Audited As at 31/12/2023 RM'000
EQUITY AND LIABILITIES (CONTINUED)			
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	B8	324	395
Borrowings	B8	13,743	4,445
Deferred tax liabilities		2	2
Employee benefits liability		124	102
Total Non-Current Liabilities		14,193	4,944
Current Liabilities			
Trade payables		4,125	348
Other payables and accruals		7,458	4,292
Lease liabilities	B8	374	388
Borrowings	B8	14,390	8,837
Contract liabilities		-	16
Tax payable		2,182	751
Total Current Liabilities		28,529	14,632
TOTAL LIABILITIES		42,722	19,576
TOTAL EQUITY AND LIABILITIES		155,952	100,833
Net assets per share attributable to ordinary equity holders (RM)		0.35	0.26

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 2023 and the accompanying explanatory notes attached in the interim financial report.

RAMSSOL GROUP BERHAD
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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

Unaudited	Share capital RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair value 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 1/1/2024	61,745	(1,074)	-	186	(857)	25,186	85,186	(3,929)	81,257
Profit after taxation	-	-	-	-	-	13,506	13,506	1,140	14,646
Other comprehensive income/(loss): Foreign currency translation differences	-	-	-	(56)	(3,094)	-	(3,150)	19	(3,131)
Total comprehensive income/(loss)	-	-	-	(56)	(3,094)	13,506	10,356	1,159	11,515
Contributions by and distribution to owners of the Company:									
Issuance of shares via ESOS	9,846	-	-	-	-	-	9,846	-	9,846
Acquisition of a subsidiary	6,927	-	-	-	-	-	6,927	1,346	8,273
Share issuance expenses	996	-	1,340	-	-	-	2,336	-	2,336
Issuance of share pursuant warrant exercise	3	-	-	-	-	-	3	-	3
Total transactions with owners	17,772	-	1,340	-	-	-	19,112	1,346	20,458
Balance as at 31/12/2024	79,517	(1,074)	1,340	130	(3,951)	38,692	114,654	(1,424)	113,230

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) ⁽¹⁾

	Share capital RM'000	Merger Deficit 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	-	-	-	6,261	6,261	(261)	6,000
Other comprehensive income/(loss): Foreign currency translation differences	-	-	(31)	133	(755)	18	(737)
Total comprehensive income/(loss)	-	-	(31)	5,537	5,506	(243)	5,263
Contributions by and distribution to owners of the Company:							
- Issuance of shares	24,559	-	-	-	24,559	-	24,559
Additional non-controlling interests arising on Business combination	-	-	-	-	-	170	170
Balance as at 31/12/2023	61,745	(1,074)	186	24,329	85,186	(3,929)	81,257

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	<u>CUMULATIVE QUARTER</u>	
	Unaudited	Audited
	31/12/2024	31/12/2023
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	15,830	7,189
Adjustments for:		
Allowance for expected credit losses on receivables	-	(378)
Amortization of development costs	2,276	434
Depreciation of:		
-investment properties	17	17
-property, plant and equipment	496	490
-right-of-use assets	495	457
Interest expense	1,754	1,279
Unwinding interest	28	-
Impairment loss on intangible assets	759	-
Gain on early termination of lease contract	(2)	(1)
Unrealized loss on foreign exchange	9	18
Loss on disposal of property, plant and equipment	-	75
Gain on disposal of right-of-use assets	-	(27)
Provision for employee benefits	24	-
Interest income	(61)	(25)
Dividend income	-	(14)
Share-based payment transaction	2,336	-
Operating profit before working capital changes	23,961	9,514
(Increase)/Decrease in contract assets	(9,385)	(16,547)
(Increase)/Decrease in trade and other receivables	(13,908)	9,273
Increase/(Decrease) in trade and other payables	6,855	(543)
(Decrease)/Increase in contract liabilities	(16)	-
Increase in employee benefits liability	-	-
Net cash from operations	7,507	1,697
Income tax paid	(215)	(635)
Interest paid	-	-
Interest received	13	25
Net cash from/(used in) operating activities	7,305	1,087

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

	<u>CUMULATIVE QUARTER</u>	
	31/12/2024	31/12/2023
	Unaudited	Audited
	RM'000	RM'000
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of intangible assets	(8,304)	(28,612)
Acquisition of property, plant and equipment	(112)	(256)
Acquisition of other Investments	-	(1,500)
Dividend received	-	14
Placement of cash collateral pledge to licensed banks	-	(146)
Proceed from disposal of right-of-use assets	-	150
Proceeds from disposal of property, plant and equipment	-	95
Acquisition of a subsidiary, net of cash	717	(217)
Net cash for investing activities	<u>(7,699)</u>	<u>(30,472)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Interest paid	(1,754)	(1,279)
Net drawdown/ (repayment) of borrowings	16,714	(1,661)
Repayment to Director	360	105
Net repayment of lease liabilities	(536)	(500)
Placement of fixed deposits pledged with licensed banks	(3,580)	(1,716)
Proceed from issuance of ordinary shares	9,849	24,559
Net cash from/(for) financing activities	<u>21,053</u>	<u>19,508</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,659	(9,877)
Effect of exchange translation differences	(25)	43
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>(2,049)</u>	<u>7,785</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>18,585</u>	<u>(2,049)</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	25,361	6,589
Deposits with licensed banks	5,387	1,759
Less: Bank overdraft	<u>(6,630)</u>	<u>(8,493)</u>
	24,118	(145)
Less: Deposit pledged	<u>(5,533)</u>	<u>(1,904)</u>
	<u>18,585</u>	<u>(2,049)</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 2023 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 2023 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 audited consolidated financial statements for the financial year ended 31 December 2023, except for the adoption of the following new MFRSs and amendment to MFRSs and interpretation:

- (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)

MFRS 17: *Insurance Contracts*

Amendments to MFRS 17: *Insurance Contracts*

Amendments to MFRS 17: *Initial Application of MFRS 17 and*

MFRS 9 – Comparative Information

Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101: *Disclosure of Accounting Policies*

Amendments to MFRS 108: *Definition of Accounting Estimates*

Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities*

arising from a Single Transaction

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)

- (a) 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
Amendments to MFRS 101: Non-current Liabilities Covenants 1 January 2024	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements 1 January 2024	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability 1 January 2025	1 January 2025
Amendments to MFRS 10: Consolidated Financial Statements	Yet to Confirm
Amendments to MFRS 128: Investment in Associates and Joint Venture – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to Confirm

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 2023 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 a material effect on the results of the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review.

A8. DIVIDEND PAID

There was no dividend paid during the current quarter under review.

A9. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker to allocate resources to segments and to assess their performance. For management purposes, the Group is organized into business units based on their geographical region. No segmental analysis by business segment is prepared as the Group operates predominantly in one industry.

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A9. SEGMENTAL INFORMATION (CONTINUED)

Unaudited

Geographical segment

	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2024	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	48,530	49	11,337	1,734	61,650
Inter-segment	300	-	296	322	918
	<u>48,830</u>	<u>49</u>	<u>11,633</u>	<u>2,056</u>	<u>62,568</u>
Adjustments/eliminations on combination					(918)
Consolidated revenue					<u>61,650</u>

Results

Segment profit/(loss) before interest and taxation	12,353	(756)	7,294	(1,307)	17,584
Finance costs					(1,754)
Profit before taxation					<u>15,830</u>
Income tax expense					(1,184)
Profit after taxation					<u>14,646</u>

A9. SEGMENTAL INFORMATION (CONTINUED)

Unaudited

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2024	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	54,709	-	5,814	11	60,534
Segment assets/Consolidated total assets	129,672	1,353	19,232	5,695	155,952
Liabilities					
Segment liabilities	22,325	1,467	11,253	5,495	40,540
Unallocated liabilities:					
- tax payable					2,182
Consolidated total liabilities					42,722

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A9. SEGMENTAL INFORMATION (CONTINUED)

Audited

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	12,295	4,198	4,776	9,109	30,378
Inter-segment	225	153	-	328	706
	12,520	4,351	4,776	9,437	31,084
Adjustments/eliminations on combination					(706)
Consolidated revenue					30,378
Results					
Segment profit/(loss) before interest and taxation	3,907	(107)	1,393	3,275	8,468
Finance costs					(1,279)
Profit before taxation					7,189
Income tax expense					(1,189)
Profit after taxation					6,000

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A9. SEGMENTAL INFORMATION (CONTINUED)

Audited

<u>Geographical segment</u>	Malaysia	Singapore	Thailand	Others	Group
12 months ended 31/12/2023	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets	52,897	-	124	30	53,051
Segment assets/Combined total assets	90,115	1,467	2,794	6,457	100,833
Liabilities					
Segment liabilities	11,703	849	1,899	4,374	18,825
Unallocated liabilities:					
- tax payable					751
Consolidated total liabilities					19,576

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A10. MATERIAL SUBSEQUENT EVENTS TO THE INTERIM FINANCIAL PERIOD

There were no material events after end of the interim financial period that has not been reflected in this interim financial report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other major changes in the composition of the Group during the current quarter under review and up to the date of this interim financial report.

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	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Fellow directors:				
Rental paid or payable to director	(50)	(95)	(260)	(416)
Retainer fees paid or payable to a company	(24)	-	(96)	-

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 2023. The increase in the current quarter is rental paid or payable for additional units from respective directors.

The retainer fees paid or payable for legal advice or services rendered by a company owned by an independent director, Mr Goh Keng Tat.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2024

	Quarter ended			Period ended		
	31/12/2024	31/12/2023	Changes	31/12/2024	31/12/2023	Changes
	Unaudited RM'000	Audited RM'000	%	Unaudited RM'000	Audited RM'000	%
Revenue from:						
Malaysia	6,850	(3,977)	>100	48,530	12,295	>100
Singapore	(11)	3,253	(>100)	49	4,198	(98.83)
Thailand	3,288	1,494	>100	11,337	4,776	>100
Others*	325	6,910	(95.30)	1,734	9,109	(80.96)
	10,452	7,680		61,650	30,378	

Note:

* Consist of Indonesia and Vietnam

The Group recorded an unaudited cumulative revenue of RM61.65 million for the financial year ended (“FYE”) 31 December 2024, which was higher as compared to the audited revenue of RM30.38 million for the FYE 31 December 2023. This was mainly due to Ramssol’s human capital management (HCM) solutions expand greatly, with new offerings for diverse clients, higher engineer capacity from the collaboration and recurring HCM software subscriptions and distributorship of HCM licenses for the FYE 31 December 2024 as compared to the FYE 31 December 2023. Besides that, the surge of revenue is also due to its offering of a range of world-class HCM systems tailored for enterprises of varying sizes, including Oracle, Darwinbox, Hono.ai and Disprz. Additionally, the recent acquisition of a software development company specializing in AI software development further strengthens its technological capabilities and market position.

The Group’s unaudited profit before taxation (“PBT”) for the FYE 31 December 2024 of RM15.83 million is higher as compared to the audited PBT for the FYE 31 December 2023 of RM7.19 million mainly due to certain projects with higher profit margin and the distributorship of HCM licenses.

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B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		Changes %
	Quarter ended 31/12/2024 RM'000	30/09/2024 RM'000	
Revenue	10,452	19,465	(46.30)
PBT	1,823	4,590	(60.28)

The Group's revenue in quarter ended 31 December 2024 ("**Q4 2024**") reduced by RM9.01 million or 46.30% to RM10.45 million as compared to the immediate preceding quarter ended 30 September 2024 ("**Q3 2024**"). This was mainly due to the year-end purchasing behaviour, where clients deferred procurement decisions to the following fiscal period. Additionally, the Group continued to expand its offerings through new collaborations and recurring HCM software subscriptions and distributorship of HCM licenses beyond Q4 2024, though revenue recognition while some contracts were deferred. The recent acquisition of a software development company specializing in AI software development further strengthens its technological capabilities and market position.

The Group recorded a lower PBT of RM1.82 million in Q4 2024 as compared to RM4.59 million in Q3 2024 mainly due to lower revenue in the quarter and the impairment costs for the intangible asset.

B3. PROSPECTS AND OUTLOOK

The Group remains resilient, supported by strong fundamentals and strategic management. With Southeast Asia's steady economic growth and the expansion of the digital industry, the Group is well-positioned to adapt these evolving market conditions. By focusing on key areas within the digital industry value chains, the Group aims to capture new opportunities in the local market and regional markets. This includes expanding its diversified products in HCM solutions, the potential launch of an innovative software platform for the used-motorcycle market and Generative Artificial Intelligence.

These favorable market conditions, coupled with increasing investor confidence, continue to support financial growth. The Group's performance remains aligned with strategic objectives, with project-based revenue contributing to the expansion of recurring revenue streams from professional information technology (IT) services. As clients typically engage in ongoing service and maintenance contracts post-project completion, this approach reinforces the Group's long-term growth strategy in an increasingly the dynamic Southeast Asian market.

The Group's latest collaboration with multiple technology partners will drive advancement in enterprise automation, incorporating contributions from education technology and marketing technology. Additionally, the business delivered Generative Artificial Intelligence (AI) solutions beyond Human Capital Management (HCM) offering AI-driven people solutions and comprehensive organizational management

The Group maintains an optimistic outlook anticipating sustainable demand for its products and solutions which will contribute to overall revenue growth and business expansion.

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

	Quarter ended		Period ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Amortization of development costs	523	257	2,276	434
Depreciation of:				
-investment properties	4	4	17	17
-property, plant and equipment	98	296	496	490
-right-of-use assets	254	134	495	457
Interest expense:				
-bank overdraft	116	193	564	711
-Invoice Financing	231	-	231	-
-flexi loan	21	6	23	33
-term loans	174	195	906	500
Interest expense on lease liabilities	19	17	30	35
Short-term leases	191	(65)	191	215
Net loss/(gain) on foreign exchange:				
-realized	-	79	(149)	(1)
-unrealized	9	(104)	9	18
Interest income	(59)	(19)	(61)	(25)
Rental income from investment property	(9)	(3)	(9)	(9)

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B6. INCOME TAX EXPENSE

	Quarter ended		Period ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Current tax recognized in profit or loss:				
-Malaysian income tax	(1,236)	1,172	(316)	760
-Foreign income tax	1,467	-	1,500	429
Tax expense	231	1,172	1,184	1,189
Effective tax rate	12.67%	67.90%	7.48%	16.54%

B7. STATUS OF CORPORATE PROPOSAL

On 30 January 2024, the Company has announced that RAMS Edutech Sdn Bhd, a wholly-owned subsidiary of the Company, had on 30 January 2024 entered into a Memorandum of Understanding with Institut Koperasi Malaysia for collaboration in the field of education, training and other related services ("MOU") subject to the terms and conditions as stipulated in the MOU. As at the date of this financial report, there is no material development pertaining to the MOU.

On 2 September 2024, the Company announced that RAMS Fintech Sdn. Bhd. (RFSB), a wholly-owned subsidiary of the Company, had on 2 September 2024 entered into a Memorandum of Understanding with AmBank (M) Berhad to collaborate on a program including potentially referring the users of RFSB to AmBank and to study and explore the use of platform to enable employees of the Users to access to advance wages on a pro-rated basis subject to the terms and conditions as stipulated. As of the date of this financial report, there is no material development pertaining to the Memorandum of Understanding.

On 7 October 2024, the Company announced that RAMS Peopletch Sdn.Bhd.(formerly known as RAMS Solutions Sdn. Bhd.) ("RAMS"), a wholly-owned subsidiary of the Company, had entered into an Addendum Agreement ("Addendum Agreement") to the Agreement whereby RAMS and Hono Asia Pte. Ltd. ("HONO") mutually agreed to amend the Agreement which had entered on 1 August 2024 in accordance with the terms and conditions as set out in the Addendum Agreement. On 1 August 2024, RAMS had entered into a Business Partner Agreement with HONO to appoint RAMS as the authorised business partner for the sales and marketing activities in relation to the payroll compliances and other Human Resource related statutory compliance services, New Age IT enabled HR Solutions like Employee Engagement, Collaboration as well as HR Management System using its proprietary SAAS platform, programs, and applications of HONO in the South East Asia not exclusive to Malaysia, Singapore, Thailand, Indonesia, Vietnam, Philippines on a non-exclusive basis for the term of three (3) years beginning from 1 August 2024 unless terminated by either party, subject to the terms and conditions as stipulated in the Agreement.

On 7th November 2024, the Company announced that Geekstart Company Limited ("GEEKSTART"), an indirect 51% owned-subsiary of the Company, had entered into a Letter of Agreement with Multi Distribution Services Company Limited for the appointment of GEEKSTART as the service partner for hospital to construct and deploy AI-Integrated Healthcare System for Outpatient and Emergency Services and avail of its services based on Letter of Award issued by End Customer, subject to the terms and conditions as stipulated in the Letter of Agreement ("LOA"). The LOA shall commence from 7 November 2024 and the project is targeted to complete within 19 months (i.e. by early June 2026).

B8. BORROWINGS

	Unaudited As at 31/12/2024 RM'000	Audited As at 31/12/2023 RM'000
Current		
Secured:		
Bank overdraft	6,630	8,493
Invoice financing	6,306	-
Flexi loan	17	16
Term loans	1,437	328
Lease liabilities	374	388
	<u>14,764</u>	<u>9,225</u>
Non-current		
Secured:		
Flexi loan	450	481
Term loans	13,293	3,964
Lease liabilities	324	395
	<u>14,067</u>	<u>4,840</u>
Total borrowings:		
Bank overdraft	6,630	8,493
Invoice financing	6,306	-
Flexi loan	467	497
Term loans	14,730	4,292
Lease liabilities	698	783
	<u>28,831</u>	<u>14,065</u>
 The currency profile of borrowings is as follows:		
Ringgit Malaysia	<u>28,831</u>	<u>14,065</u>
	<u>28,831</u>	<u>14,065</u>

B9. DERIVATIVES

The Group did not enter any derivatives during the current quarter under review.

B10. MATERIAL LITIGATION

There is no litigation or arbitration which has 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.

B11. DIVIDEND PROPOSED

The Board of Directors declared an interim single tier dividend of RM 0.0028 per ordinary share for the financial year ended 31 December 2024 amounting to approximately RM1,000,000 to be paid on 16 April 2025 to the Depositors whose name appear in the Record of Depositors at the close of business on 17 March 2025.

B12. EARNING PER SHARES ("EPS")**Basic EPS**

	Quarter ended		Period ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	620	506	13,506	6,261
Weighted average number of ordinary shares in issue ('000)	345,592	307,351	325,907	256,667
Basic (sen) ⁽¹⁾	0.18	0.16	4.14	2.44

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.

Diluted EPS

	Quarter ended		Period ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company (RM'000)	620	506	13,506	6,261
Weighted average number of ordinary shares in issue ('000)	345,592	307,351	325,907	256,667
Effect of dilution on potential exercise of:				
- Warrants A 2023/2028 ('000)	122,671	58,081	122,671	58,081
- ESOS offered ('000)	25,180	-	25,180	-
Adjusted weighted average number of ordinary Share in issue ('000)	493,443	365,432	473,758	314,748
Diluted EPS (sen) ⁽²⁾	0.13	0.13	2.85	1.99

Notes:

- (1) The potential conversion is anti-dilutive as the warrant's exercise price is lower than the average market price of the Company's ordinary shares during the quarter under review.
- (2) The diluted EPS is calculated based on the Company's weighted average number of ordinary shares as at the end of the interim financial period.

B13. 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 February 2025.